
LEGISLATION AND POLICY

Conventional Arms Transfers to Developing Nations, 1992-2000

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[The following are extracts from an unclassified report of conventional arms transfers to developing nations as published under the above title by the Library of Congress on August 16, 2001. Macro data on worldwide arms transfer agreements and deliveries are also included. The selections included herein begin with a discussion of major research findings regarding the dollar value of both arms transfer agreements and arms deliveries to the developing countries from 1992 through 2000. These findings are all cross-referenced to comparative data tables which are presented following the textual material. Special attention is given to the roles of the United States, the former Soviet Union, and China as arms suppliers, and to identification of the leading Third World arms recipient nations. The report concludes with a listing of the type and quantity of weapons delivered to developing nations by major arms suppliers from 1993-2000. Some of the footnotes, charts, and tables have been omitted; the numbers of remaining footnotes, charts, and tables are the same as in the original copy. Copies of the complete document are available from the Foreign Affairs and National Defense Division, Congressional Research Service, The Library of Congress, Washington DC 20540].

Summary

This report is prepared annually to provide unclassified quantitative data on conventional arms transfers to developing nations by the United States and foreign countries for the preceeding eight calendar years. Some general data are provided on worldwide conventional arms transfers, but the principal focus is the level of arms transfers by major weapons suppliers to nations in the developing world.

Developing nations continue to be the primary focus of foreign arms sales activity by weapons suppliers. During the years 1993-2000, the value of arms transfer agreements with developing nations comprised 67.7 percent of all such agreements worldwide. More recently, arms transfer agreements with developing nations constituted 67.6 percent of all such agreements globally from 1997-2000, and 69 percent of these agreements in 2000.

The value of all arms transfer agreements with developing nations in 2000 was over \$25.4 billion. This was the highest total, in real terms, since 1994. In 2000, the value of all arms deliveries to developing nations was \$19.4 billion, a notable decrease in deliveries values from 1999 (\$26.2 billion in constant 2000 dollars).

Recently, from 1997-2000, the United States, Russia, and France have dominated the arms market in the developing world, with the United States ranking first each of the last three years in the value of arms transfer agreements. From 1997-2000, the United States made \$31.5 billion in arms transfer agreements with developing nations, in constant 2000 dollars, 37.2 percent of all

such agreements. Russia, the second leading supplier during this period, made nearly \$16.8 billion in arms transfer agreements, or 19.8 percent. France, the third leading supplier, made over \$9.7 billion or 11.5 percent of all such agreements with developing nations during these years.

In 2000, the United States ranks first in arms transfer agreements with developing nations at \$12.6 billion or 49.7 percent of these agreements. Russia was second with \$7.4 billion or 29.1 percent of such agreements. France ranked third with \$2.1 billion or 8.3 percent of such agreements. The total value of U.S. arms transfer agreements with developing nations in 2000 notably increased, in real terms, from \$8.7 billion in 1999 to \$12.6 billion in 2000 (in constant 2000 dollars). In 2000, the United States ranked first in the value of arms deliveries to developing nations at \$8.7 billion, or 44.8 percent of all such deliveries. The United Kingdom ranked second at \$4.4 billion or 22.7 percent of such deliveries. Russia ranked third at \$2.4 billion or 12.4 percent of such deliveries.

During the 1997-2000 period, the United Arab Emirates (U.A.E.) ranked first among developing nations in the value of arms transfer agreements, concluding \$14 billion in such agreements. India ranked second at \$7.6 billion. Egypt ranked third with \$6.9 billion. In 2000, the United Arab Emirates ranked first in the value of arms transfer agreements among all developing nations weapons purchasers, concluding \$7.4 billion in such agreements. India ranked second with \$4.8 billion in such agreements. South Korea ranked third with \$2.3 billion.

Introduction

This report provides unclassified background data from U.S. government sources on transfers of conventional arms to developing nations by major suppliers for the period 1993 through 2000. It also includes some data on worldwide supplier transactions. It updates and revises the report entitled "Conventional Arms Transfers to Developing Nations, 1992-1999," published by the Congressional Research Service (CRS) on August 18, 2000 (CRS Report RL30640).

The data in the report illustrate how global patterns of conventional arms transfers have changed in the post-Cold War and post-Persian Gulf War years. Relationships between arms suppliers and recipients continue to evolve in response to changing political, military, and economic circumstances. Despite global changes since the Cold War's end, the developing world continues to be the primary focus of foreign arms sales activity by conventional weapons suppliers. During the period of this report, 1993-2000, conventional arms transfer agreements (which represent orders for future delivery) to developing nations have comprised 67.7 percent of the value of all international arms transfer agreements. In 2000, arms transfer agreements with developing countries rose from 1999 totals, comprising 69 percent of the value of all such agreements globally. The portion of agreements with developing countries constituted 67.6 percent of all agreements globally from 1997-2000. Deliveries of conventional arms to developing nations, from 1997-2000, constituted 70.2 percent of all international arms deliveries. In 2000, arms deliveries to developing nations constituted 66 percent of the value of all such arms deliveries worldwide.

The data in this new report completely supercede all data published in previous editions. Since these new data for 1993-2000 reflect potentially significant updates to and revisions in the underlying databases utilized for this report, only the data in this most recent edition should be used. The data are expressed in U.S. dollars for the calendar years indicated, and adjusted for inflation. The United States commercially licensed arms exports are incorporated in the main delivery data tables, and noted separately. Excluded are arms transfers by any supplier to subnational groups.

Calendar Year Data Used

All arms transfer and arms delivery data in this report are for the twelve – month period given. This applies to both United States and foreign data alike. The United States government departments and agencies publish data on United States arms transfers and deliveries but generally use the United States fiscal year as the computational time period for these data. (A U.S. fiscal year covers the period from October 1 through September 30. As a consequence, there are likely to be distinct differences noted in those published totals using a fiscal year basis and those provided in this report which use a calendar year basis for its figures. Details regarding data used are outlined in footnotes at the bottom of **Tables 2 and 9**.

Constant 2000 Dollars

Throughout this report, values of arms transfer agreements and values of arms deliveries for all suppliers are expressed in U.S. dollars. Values for any given year generally reflect the exchange rates that prevail during that specific year. In many instances, the report converts these dollar amounts (current dollars) into constant 2000 dollars. Although this helps to eliminate the distorting effects of U.S. inflation to permit a more accurate comparison of various dollar levels over time, the effects of fluctuating exchange rates are not neutralized. The deflators used for the constant dollar calculations in this report are those provided by the U.S. Department of Defense and are set out at the bottom of **Tables 2 and 9**. Unless otherwise noted in the report, all dollar values are stated in constant terms. Because all regional data tables are composed of four-year aggregate dollar totals (1993-1996 and 1997-2000), they must be expressed in current dollar terms. Where tables rank leading arms suppliers to developing nations or leading developing nation recipients using four-year aggregate dollar totals, these values are expressed in current dollars.

Definition of Developing Nations and Regions

The developing nations category, as used in this report, includes all countries except the United States, Russia, European nations, Canada, Japan, Australia, and New Zealand.

Major Findings

General Trends in Arms Transfers Worldwide

The value of all arms transfer agreements worldwide (to both developed and developing nations) in 2000 was nearly \$36.9 billion. This is a clear increase in arms agreements values over 1999, and is the third year in a row that total arms agreements increased over the previous year. This total, however, is substantially lower in constant dollars than that of 1993, during the period of post-Persian Gulf war rearmament. (**Chart 1 and Table 8A**.)

In 2000, the United States led in arms transfer agreements worldwide, making agreements valued at nearly \$18.6 billion (50.4 percent of all such agreements), up from nearly \$12.9 billion in 1999. Russia ranked second with \$7.7 billion in agreements 20.9 percent of these agreements globally, up notably from \$4.1 billion in 1999. France ranked third, as its arms transfer agreements worldwide rose significantly from \$936 million in 1999 to \$4.1 billion in 2000. The United States, Russia and France, collectively made agreements in 2000 valued at nearly \$30.4 billion, 82.4 percent of all international arms transfer agreements made by all suppliers. (**Figure 1, Tables 8A, 8B, and 8D**.)

For the period 1997-2000, the total value of all international arms transfer agreements (about \$125.1 billion) has been notably less than the worldwide value during 1993-1996 (about \$142.4

billion), a decline of 12.1 percent. During the period 1993-1996, developing world nations accounted for 67.7 percent of the value of all arms transfer agreements made worldwide. During 1997-2000, developing world nations accounted for 67.6 percent of all arms transfer agreements made globally. In 2000, developing nations accounted for 69 percent of all arms transfer agreements made worldwide. **(Figure 1 and Table 8A.)**

In 2000, the United States ranked first in the value of all international arms deliveries, making nearly \$14.2 billion in such deliveries or 48.3 percent. This is the eighth year in a row that the United States has led in global arms deliveries, reflecting, in particular, implementation of arms transfer agreements made during and in the aftermath of the Persian Gulf War. The United Kingdom ranked second in worldwide arms deliveries in 2000, making \$5.1 billion in such deliveries. Russia ranked third in 2000, making \$3.5 billion in such deliveries. These top three suppliers of arms in 2000 collectively delivered nearly \$22.8 billion, 77.5 percent of all arms delivered worldwide by all suppliers in that year. **(Figure 2, Tables 9A, and 9D.)**

The value of all international arms deliveries in 2000 was nearly \$29.4 billion. This is a substantial decrease in the total value of arms deliveries from the previous year (nearly \$38 billion), and the lowest total of the last eight years. The total value of such arms deliveries worldwide in 1997-2000 (\$151.1 billion) was a nominal decrease in the value of arms deliveries by all suppliers worldwide from 1993-1996 (\$152.8 billion). **(Figure 2 and Table 9A.)**

Developing nations from 1997-2000 accounted for 70.2 percent of the value of all international arms deliveries. In the earlier period, 1993-1996, developing nations accounted for 65.8 percent of the value of all arms deliveries worldwide. Most recently, in 2000, developing nations collectively accounted for 66 percent of the value of all international arms deliveries. **(Figure 2, Tables 2A, and 9A.)**

Intense competition continues among major weapons suppliers. However, the limited resources of most developing nations to expend on weapons, and the need of many selling nations to secure cash for their weapons, places constraints on significant expansion of the arms trade. Developed nations are likely to continue to seek to protect important elements of their own national military industrial bases. Consequently, these nations are likely to limit their arms purchases from one another, except in instances where they are engaged in joint production of specific weapons. Those nations that can effectively restructure and consolidate their defense industries seem most likely to be the key players in the international arms marketplace in the next few years. Some traditional arms supplying nations may find it necessary to participate in more joint production ventures or to join in multinational mergers, such as some German and French defense firms did through formation of European Aeronautic, Defense and Space Company (EADS) in 1999, to maintain the competitiveness and viability of their national defense industrial sectors. Other arms supplying nations may choose to focus on specialized niche markets in their arms exporting efforts, concentrating on sales of weapons they believe they can readily produce and sell consistently.

A number of weapons exporters continue to focus their efforts on maintaining and expanding arms sales to nations and regions where they have competitive advantages due to prior political or military ties with the prospective buyers. New arms sales opportunities may yet develop with some European nations in the near term due to the expansion of the North Atlantic Treaty Organization (NATO). This has yet to occur to any significant degree, due to the limited financial resources of the new NATO members. As a consequence, these nations have focused in the short run on upgrades of existing weapons systems in ways that require fewer major expenditures by their governments.

It is possible that additional notable arms sales may result in the Near East, Asia, and Latin America as individual nations seek to replace older military equipment. A significant factor in the development of arms sales prospects in these regions especially will be the state of the international economy. A large portion of the developing world has not recovered fully from recent international financial problems. The 1997-1998 fall in the price of crude oil, now reversed, created great financial difficulties for some Persian Gulf states. Saudi Arabia found itself in significant financial straits, in light of the various obligations it undertook during and after the 1990-1991 Persian Gulf War, its domestic spending programs, and the magnitude of the costs associated with its weapons procurement program. Despite the significant increase in the price of crude oil since 1999, that fact, by itself, has not resulted in substantial new and expensive weapons procurement programs by most major oil producing nations in the developing world. Indeed, the notable decline in major arms purchases by Saudi Arabia, traditionally the single largest arms purchaser in the early to mid-1990s, is a graphic example of the caution oil-rich nations are displaying at present. The United Arab Emirates (U.A.E.), for its part, has made significant purchases of advanced military hardware most recently, particularly combat aircraft. The U.A.E. has lacked the debt problems confronted by the Saudis in the mid-1990s. As a consequence, the U.A.E. has gained significant bargaining power as it seeks new weapons, and has become a prime marketing target for major arms suppliers.

The Asian financial crisis that struck in 1997 resulted in a significant reduction in planned weapons purchases by several states in that region, and had the added effect of reducing the income of other developing countries dependent on trade with Asian countries. The economic situation in Asia in the last year appears to have stabilized. This improved financial environment has resulted in some important new arms purchases in Asia, but it has not led to full restoration of major arms procurement plans under way in key Asian nations at the time they fell into financial difficulties. Despite the fact that some Latin American states have expressed interest in modernizing older items in their military inventories, domestic budget constraints continue to slow implementation of these programs. The paucity of financing credits and insufficient national funds have also led many developing nations generally to curtail or defer purchases of additional weaponry. In view of the current uncertainties in the international economic environment, it seems likely that most major weapons purchases will be made by more affluent developing countries. The remainder of the arms trade seems likely to be based on significant upgrades of existing weapons systems and equipment, where possible, and on the support and maintenance of these weapons and related equipment.

General Trends in Arms Transfers to Developing Nations

The value of all arms transfer agreements with developing nations in 2000 was \$25.4 billion. This was the highest total, in real terms, since 1994. The total value of new arms transfer agreements with developing nations has increased for the last two years. (**Chart 1, Figure 1, and Table 1A.**) In 2000, the value of all arms deliveries to developing nations (\$19.4 billion) was a substantial decrease from the value of 1999 deliveries values (\$26.2 billion), and the lowest total of the last eight years. (**Charts 7 and 8, Figure 2 and Table 2A.**)

Recently, from 1997-2000, the United States, Russia, and France have dominated the arms market in the developing world, with the United States ranking first each of the last three years in the value of arms transfer agreements. From 1997-2000, the United States made nearly \$31.5 billion in arms transfer agreements with developing nations, 37.2 percent of all such agreements. Russia, the second leading supplier during this period, made nearly \$16.8 billion in arms transfer agreements or 19.8 percent. France, the third leading supplier, made over \$9.7 billion or 11.5 percent of all such agreements with developing nations during these years. In the earlier period (1993-1996) the United States ranked first with nearly \$35.8 billion in arms transfer agreements with developing nations or 37.1 percent; France made over \$17.9 billion in agreements or 18.6

percent. Russia made nearly \$16.3 billion in arms transfer agreements during this period or 16.9 percent. (**Table 1A and Figure 1.**)

During the period from 1993-2000, most arms transfers to developing nations were made by two to three major suppliers in any given year. The United States has ranked either first or second among these suppliers nearly every year from 1993-2000. The exception was 1997 when the U.S. ranked a close third to Russia. France has been a consistent competitor for the lead in arms transfer agreements with developing nations, ranking first in 1994 and 1997, and second in 1993, 1995, and 1998, while Russia has ranked first in 1995, and second in 1996, 1997, 1999 and 2000. Despite Russia's recent successes in securing new arms orders, as competition over the international arms market intensifies, France seems more likely to rank higher in arms deals with developing nations than Russia. As a supplier nation, Russia has more significant limitations in its prospective arms client base than other major suppliers. A close review of Russia's largest value arms agreements in recent years shows they have been with two principal clients, India and China, and not with a notably expanding number of nations elsewhere in the developing world.

Arms suppliers like the United Kingdom and Germany, from time to time, may conclude significant orders with developing countries, based on either long-term supplying relationships or the arms suppliers having specialized weapons systems they will readily provide. However, as the 21st century begins, the United States seems best positioned to lead in new arms agreements with developing nations. New and very costly weapons purchases from individual developing countries seem likely to be sporadic in the near term. The overall level of the arms trade with developing nations is likely to remain generally static for the foreseeable future, despite some notable purchases made in the last two years. Annual sales totals with developing countries appear likely to be notably below those of the Persian Gulf war period.

Other suppliers in the tier below the United States, France, and Russia, such as China, other European, and non-European suppliers, have been participants in the arms trade with developing nations at a much lower level. These suppliers are, nonetheless, capable of making an occasional arms deal of a significant nature. Yet most of their annual arms transfer agreements values totals during 1993-2000 are comparatively low, and based upon smaller transactions. Few of these countries are likely to be major suppliers of advanced weaponry on a sustained basis. With some exceptions, most of them are more likely to make sales of less sophisticated and less expensive military equipment. (**Tables 1A, 1F, 1G, 2A, 2F and 2G.**)

United States

In 2000, the total value, in real terms, of United States arms transfer agreements with developing nations rose to \$12.6 billion from about \$8.7 billion in 1999. The U.S. share of the value of all such agreements was 49.7 percent in 2000, a significant increase from 36.6 percent in 1999. (**Charts 1, 3 and 4, Figure 1, Tables 1A and 1B.**)

The value of U.S. arms transfer agreements with developing nations was very high in 2000. This is primarily due to major purchases by key U.S. clients in the Near East, and to a much lesser extent in Asia. These arms agreement totals also reflect a continuation of well established defense support arrangements with these purchasers. U.S. agreements with these buyers in 2000 include not only the highly visible sales of major weapons systems, but also the upgrading of existing ones, and agreements for a wide variety of spare parts, ammunition, ordnance, training, and support services. Among major weapons systems sold by the United States in 2000 were 80 new production F-16 block 60 combat fighter aircraft to the United Arab Emirates through a licensed commercial agreement with a value of \$6.432 billion. This agreement with the U.A.E. is the one of the largest combat aircraft sales ever made by the United States, and accounts for a substantial portion of the overall total of U.S. arms transfer agreements with the developing world in 2000.

Other United States sales to the Near East region in 2000 included agreements to upgrade Egypt's AH-64 Apache helicopters for \$400 million, to provide Egypt with 6 SPS-48E 3D land-based radar systems, as well as with Avenger and Stinger missiles. Israel also ordered the reconfiguration of 24 of its AH-64 Apache helicopters for \$270 million, and signed an agreement for the purchase of 35 Blackhawk helicopters, together with a number of helicopter engines for nearly \$340 million.

In Asia, the United States sold South Korea twenty-nine multiple launch rocket systems (MLRS) for over \$260 million; component kits for South Korea's F-16 C/D fighter aircraft for over \$190 million, and contracted for a number of air and sea-based missiles. Thailand ordered eighteen earlier generation F-16 A/B fighters, and Taiwan ordered AIM-120 AMRAAM air-to-air missiles. These illustrative cases are an important component of the overall U.S. agreements totals for calendar year 2000. It must be emphasized, however, that the sale of munitions, upgrades to existing systems, spare parts, training and support services to developing nations worldwide account for a very substantial portion of total U.S. arms agreements. This is a reflection of the large number of countries in the developing, and developed, world that have acquired and utilize a wide range of American weapons systems, and have a continuing requirement to have these systems supported.

Russia

The total value of Russia's arms transfer agreements with developing nations rose significantly from \$3.2 billion in 1999 to \$7.4 billion in 2000, placing it second in such agreements with the developing world. Russia's share of all developing world arms transfer agreements increased as well, rising from 13.6 percent in 1999 to 29.1 percent in 2000. (**Charts 1, 3 and 4, Figure 1, Tables 1A, 1B, and 1G.**)

Russia's arms transfer agreements totals with developing nations have increased for the last two years, and during the 1997-2000 period, Russia ranked second among all suppliers to developing countries, making \$16.8 billion in agreements. Its arms agreement values ranged from a high of \$7.4 billion in 2000 to a low of \$1.4 billion in 1993 (in constant 2000 dollars). Russia's arms sales totals reflect the continuing effect of the economic and political problems stemming from the breakup of the former Soviet Union. Many of Russia's traditional arms clients are less wealthy developing nations that were once provided generous grant military assistance and deep discounts on arms purchases. Following the dissolution of the Soviet Union in December 1991, Russia did not resume those financing and sales practices. Russia now actively seeks to sell weapons as a means of obtaining hard currency. While some former arms clients in the developing world continue to express interest in obtaining additional Russian weaponry, they have been restricted in doing so by a lack of funds to pay for the armaments they seek. Russia has found it increasingly necessary to agree to licensed production of major weapons systems as a condition of sales with its two principal clients in recent years, India and China. Such agreements with these nations have accounted for a large portion of Russia's arms transfer agreement totals since the mid-1990s.

Russia's efforts to make lucrative new sales of conventional weapons continue to confront significant difficulties, especially since most potential cash-paying arms purchasers have been longstanding customers of the United States or major West European suppliers. These prospective arms buyers have proven reluctant to replace their weapons inventories with unfamiliar non-Western armaments when newer versions of existing equipment are readily available from their traditional suppliers, even in an era of intense competition. The difficult transition Russia has attempted to make from the state supported and controlled industrial system of the former Soviet Union has also led some potential arms customers to question whether the

Russian defense industries can be reliable suppliers of the spare parts and support services necessary for the maintenance of weapons systems they sell abroad.

Yet because Russia has had a wide variety of weaponry to sell, from the most basic to the highly sophisticated, and despite the internal problems evident in the Russian defense industrial sector, various developing countries still view Russia as a potential source of their military equipment. Russia, therefore, has made strong efforts to gain arms agreements with developing nations that can pay cash for their purchases, and Russian sales since 1995 indicate that Russia has had varying degrees of success in doing so. After 1995, Russia has made smaller arms deals with Kuwait and the United Arab Emirates for armored fighting vehicles and with Malaysia for MiG-29 fighter aircraft. In 2000, Russia concluded a \$500 million agreement with the U.A.E. for the Pantsir S-1 air defense missile system. Iran, primarily due to its own economic difficulties (as well as U.S. pressure on Russia), was not a major purchaser of arms from the Russians after 1995. Iran had been a primary purchaser of Russian armaments in the early 1990s, receiving such items as MiG-29 fighter aircraft, Su-24 fighter-bombers, T-72 tanks, and Kilo class attack submarines. In late 2000, Russia served public notice that it again intended to pursue major arms sales with Iran, despite objections from the United States. Iraq was once a major purchaser of advanced weaponry from Russia, but has not been a source of orders since the Persian Gulf war. Russia clearly would pursue new major weapons deals with Iraq if current U.N. sanctions on Iraq that ban Iraqi arms purchases are lifted.

Russia's principal arms clients since 1994 have been India and China. Among Russia's notable arms deals during recent years has been the sale of 40 new Su-30MK fighter aircraft to India. Elements of a longer range plan for procurement as well as co-production of a number of advanced Russian weapons systems were agreed to with India in 1999 and 2000. These agreements are likely to result in significant aircraft, missile, and naval craft agreements and deliveries to the Indian government in the years to come. In late 2000, Russia concluded a licensed production agreement with India valued in excess of \$3 billion for 140 Su-30MKI combat aircraft. It also concluded an agreement for the sale to India of 310 T-90 main battle tanks for about \$700 million, and an agreement to retrofit and deliver the Admiral Gorshkov aircraft carrier for over \$650 million. Russia's arms supplying relationship with China began to mature in 1994. By 1996 Russia had sold China at least 72 Su-27 fighter aircraft as well as four Kilo class attack submarines. Subsequently, a licensed production agreement was finalized between Russia and China, permitting the Chinese to coproduce at least 200 Su-27 aircraft. Russia also sold China two Sovremenny-class destroyers, with associated missile systems. In 1999, the Chinese purchased between 40 to 60 Su-30 multi-role fighter aircraft for an estimated \$2 billion, and deals for future procurement of other weapons systems were agreed to in principle. In late 2000, Russia concluded an agreement with China to purchase at least four upgraded Russian Mainstay airborne early warning aircraft, designated the A-50E, for about \$1 billion. Given this recent history, it seems likely that India and China will continue to figure significantly in Russia's arms export program for some years to come.

China

China emerged as an important arms supplier to certain developing nations in the 1980s, primarily due to arms agreements made with both combatants in the Iran-Iraq war. From 1993 through 2000, the value of China's arms transfer agreements with developing nations has averaged about \$970 million annually. During the period of this report, the value of China's arms transfer agreements with developing nations reached its peak in 1999 at \$2.7 billion. Its sales figures that year resulted generally from several smaller valued weapons deals in Asia, Africa, and the Near East, rather than one or two especially large sales of major weapons systems. In 2000, China's arms transfer agreements total was \$400 million. Pakistan continues as a key Chinese

client. China, more recently, has become a major purchaser of arms, primarily from Russia. (Tables 1A, and 1G, and Chart 3.)

Since the late 1980s, few clients with financial resources have sought to purchase Chinese military equipment, much of which is less advanced and sophisticated than weaponry available from Western suppliers and Russia. China did supply Silkworm anti-ship missiles to Iran, as well as other less advanced conventional weapons. Yet China does not appear likely to be a major supplier of conventional weapons in the international arms market in the foreseeable future, since more sophisticated weaponry is available from other suppliers such as Russia, or major Western weapons exporters. Reports persist in various publications that China has sold surface-to-surface missiles to Pakistan, a long-standing client. Iran and North Korea have also reportedly received Chinese missile technology. These reports raise important questions about China's stated commitment to the restrictions on missile transfers set out in the Missile Technology Control Regime (MTCR), including its pledge not to assist others build missiles that could deliver nuclear weapons. With a need for hard currency, and some military products (especially missiles) that some developing countries would like to acquire, China can present an important obstacle to efforts to stem proliferation of advanced missile systems to some areas of the developing world where political and military tensions are significant.

Major West European Suppliers

The four major West European suppliers (France, United Kingdom, Germany, and Italy), as a group, registered a decline in their collective share of all arms transfer agreements with developing nations between 1999 and 2000. This group's share fell from 15.4 percent in 1999 to 12.2 percent in 2000. The collective value of this group's arms transfer agreements with developing nations in 2000 was \$3.1 billion compared with a total of over \$3.6 billion in 1999. Of these four, France was the leading supplier with \$2.1 billion in agreements in 2000, a notable increase from \$312 million in 1999. The French agreement total in 2000 was primarily attributable to the sale to Singapore of six Lafayette class frigates (as well as an associated missiles package) for about \$1.5 billion. France also sold India 10 Mirage 2000H fighter aircraft for about \$300 million. Germany registered a significant decline in arms agreements from about \$2.1 billion in 1999 to \$1 billion in 2000. Germany's total in 2000 was principally due to a sale to South Korea of three Type 214 diesel-electric submarines. Both the United Kingdom and Italy also registered a notable decline in their respective arms transfer agreements with developing nations from 1999 to 2000, both falling from over \$620 million in 1999 to essentially nil in 2000. (Charts 3 and 4, Tables 1A and 1B.)

The four major West European suppliers, collectively, held about a 25.8 percent share of all arms transfer agreements with developing nations during the period from 1993-2000. Since the end of the Persian Gulf war, the major West European suppliers have generally maintained a notable share of arms transfer agreements. For the 1997-2000 period, they collectively held 21.6 percent of all arms transfer agreements with developing nations (\$18.2 billion). Individual suppliers within the major West European group have had notable years for arms agreements, especially France in 1993, 1994, and 1997 (\$4.6 billion, \$9.4 billion, and \$4.7 billion respectively). The United Kingdom also had large agreement years in 1993 and 1996 (\$2.7 billion and \$3 billion respectively). Germany's 1999 agreement total of \$2.1 billion was its highest over the last eight years, although it has concluded arms agreements totaling at least \$1 billion for the last three years. For each of these three nations, large agreement totals in one year have usually reflected the conclusion of very large arms contracts with one or more major purchasers in that particular year. (Tables 1A and 1B.)

The major West European suppliers have had their competitive position in weapons exports enhanced by traditionally strong government marketing support for foreign arms sales. Since they

can produce both advanced and basic air, ground, and naval weapons systems, the four major West European suppliers have competed successfully for arms sales contracts with developing nations against both the United States, which has tended to sell to several of the same clients, and with Russia, which has sold to nations not traditional customers of the U.S. The continuing demand for U.S. weapons in the global arms marketplace has created a more difficult environment for individual West European suppliers to secure large new contracts with developing nations on a sustained basis. Consequently, some of these suppliers in future years may choose not to compete for some sales of certain types of weapons systems, even reducing or eliminating some categories of items they have been producing. Instead, they may seek to join increasing numbers of joint production ventures with other key European weapons suppliers or even purchasing countries in an effort to sustain major sectors of their individual defense industrial bases. The recent trend toward mergers of various European defense firms has encouraged more joint ventures of this kind.

Regional Arms Transfer Agreements

The Persian Gulf War from August 1990-February 1991 played a major role in further stimulating already high levels of arms transfer agreements with nations in the Near East region. The war created new demands by key purchasers such as Saudi Arabia, Kuwait, the United Arab Emirates, and other members of the Gulf Cooperation Council (GCC), for a variety of advanced weapons systems. These demands were not only a response to Iraq's aggression against Kuwait, but a reflection of concerns regarding perceived threats from a potentially hostile Iran. In Asia, efforts in several countries focused on upgrading and modernizing defense forces have led to important new conventional weapons sales in that region. Russia also, in the 1990s, developed a significant role as the principal supplier of advanced conventional weaponry to China, while maintaining its position as principal supplier to India. The data on regional arms transfer agreements from 1993-2000 continue to reflect the primacy of developing nations in the Near East and Asia regions as customers for conventional armaments.

Near East

The Near East has generally been the largest arms market in the developing world. In 1993-1996, it accounted for 54.6 percent of the total value of all developing nations arms transfer agreements (\$46 billion in current dollars). During 1997-2000, the region accounted for 47.2 percent of all such agreements (\$38.4 billion in current dollars). (**Tables 1C and 1D.**)

The United States dominated arms transfer agreements with the Near East during the 1993-2000 period with 55.2 percent of their total value (\$46.5 billion in current dollars). France was second during these years with 22.8 percent (\$19.2 billion in current dollars). Recently, from 1997-2000, the United States accounted for 60.9 percent of arms agreements with this region (\$23.4 billion in current dollars), while France accounted for 16.2 percent of the region's agreements (\$6.2 billion in current dollars), representing most of the arms transfer agreements by the major West European suppliers with the Near East. (**Tables 1C and 1E.**)

Asia

Asia has generally been the second largest developing world arms market. In the earlier period (1993-1996), Asia accounted for 36.1 percent of the total value of all arms transfer agreements with developing nations (\$30.3 billion in current dollars). During 1997-2000, the region accounted for 37.6 percent of all such agreements (\$30.5 billion in current dollars). (**Tables 1C and 1D.**)

In the earlier period (1993-1996), Russia ranked first in the value of arms transfer agreements with Asia with 35.3 percent. The United States ranked second with 21.2 percent. The major West European suppliers, as a group, made 23.7 percent of this region's agreements in 1993-1996. In the later period (1997-2000), Russia ranked first in Asian agreements with 40.7 percent, primarily due to major combat aircraft sales to India and China. The United States ranked second with 19 percent. The major West European suppliers, as a group, made 23 percent of this region's agreements in 1997-2000. (**Table 1E.**)

Leading Developing Nations Arms Purchasers

Saudi Arabia has been, by a clear margin, the leading developing world arms purchaser from 1993-2000, making arms transfer agreements totaling \$24.5 billion during these years (in current dollars). In the 1993-1996 period, the value of its arms transfer agreements was high (\$18.8 billion in current dollars), ranking first for that period. From 1997-2000, however, the total value of Saudi Arabia's arms transfer agreements dropped significantly to \$5.7 billion (in current dollars), ranking it fourth for that period. This decline resulted from Saudi debt obligations stemming from the Persian Gulf era, coupled with a significant fall in Saudi revenues caused by the notable decline in the market price of its oil. The total value of all arms transfer agreements with developing nations from 1993-2000 was \$165.2 billion in current dollars. Saudi Arabia alone was responsible for 14.8 percent of all developing world arms transfer agreements during these eight years. In the most recent period, 1997-2000, the United Arab Emirates ranked first in arms transfer agreements with developing nations (\$14 billion in current dollars). India ranked second during these years (\$7.6 billion in current dollars). The U.A.E. from 1997-2000 accounted for 17.2 percent of the value of all developing world arms transfer agreements (\$14 billion out of \$81.2 billion in current dollars). (**Tables 1I and 1J.**)

The values of the arms transfer agreements of the top ten developing world recipient nations in both the 1993-1996 and 1997-2000 periods accounted for the major portion of the total developing nations arms market. During 1993-1996, the top ten recipients collectively accounted for 70.3 percent of all developing world arms transfer agreements. During 1997-2000, the top ten recipients collectively accounted for 72.8 percent of all such agreements. Arms transfer agreements with the top ten developing world recipients, as a group, totaled \$22.9 billion in 2000 or 90 percent of all arms transfer agreements with developing nations in that year. This reflects the continued concentration of major arms purchases by developing nations within a few countries. (**Tables 1I and 1J.**)

The United Arab Emirates ranked first among all developing world recipients in the value of arms transfer agreements in 2000, concluding \$7.4 billion in such agreements. India ranked second in agreements in 2000 at \$4.8 billion. South Korea ranked third with \$2.3 billion in agreements. Six of these top ten recipients were in Asia. (**Table 1J.**) Saudi Arabia was the leading recipient of arms deliveries among developing world recipients in 2000, receiving \$7.3 billion in such deliveries.

Saudi Arabia alone received 37.7 percent of the total value of all arms deliveries to developing nations in 2000. China ranked second in arms deliveries in 2000 with \$1.6 billion. Egypt ranked third with \$1.3 billion. (**Tables 2 and 2J.**)

Arms deliveries to the top ten developing nation recipients, as a group, were valued at \$15.6 billion, or 80.5 percent of all arms deliveries to developing nations in 2000. Six of these top ten recipients were in the Near East. (**Tables 2 and 2J.**)

Weapons Types Recently Delivered to Near East Nations

Regional weapons delivery data reflect the diverse sources of supply of conventional weaponry available to developing nations. Even though the United States, Russia, and the four major West European suppliers dominate in the delivery of the fourteen classes of weapons examined, it is also evident that the other European suppliers and some non-European suppliers, including China, are capable of being leading suppliers of selected types of conventional armaments to developing nations. (**Table 3.**)

The following is an illustrative summary of weapons deliveries to this region for the period 1997-2000.

United States

93 tanks and self-propelled guns
1,019 armored personnel carriers and armored cars
129 supersonic combat aircraft
56 helicopters
589 surface-to-air missiles
57 anti-ship missiles

Russia

350 tanks and self-propelled guns
600 armored personnel carriers and armored cars
1 submarine
20 supersonic combat aircraft
50 helicopters

China

1 guided missile boat
300 surface-to-air- missiles
100 anti-ship missiles

Major West European Suppliers

250 tanks and self-propelled guns
260 armored personnel carriers and armored cars
1 major surface combatant
12 minor surface combatants
12 guided missile boats
3 submarines
30 supersonic combat aircraft
30 helicopters
160 anti-ship missiles

All Other European Suppliers

110 artillery
2 major surface combatants
3 minor surface combatants
40 supersonic combat aircraft

All Other Suppliers

530 armored personnel carriers and armored cars
3 minor surface combatants
100 anti-ship missiles
30 surface-to-surface missiles

Large numbers of major combat systems were delivered to the Near East region from 1997-2000, specifically, tanks and self-propelled guns, armored vehicles, minor surface combatants, artillery pieces, supersonic combat aircraft, helicopters, air defense and anti-ship missiles. The United States made significant deliveries of supersonic combat aircraft to the region. Russia, the United States, and European suppliers in general were the principal suppliers of tanks and self-propelled guns, and APCs and armored cars. Three of these weapons categories – supersonic combat aircraft, helicopters, and tanks and self-propelled guns – are especially costly and are an important portion of the dollar values of arms deliveries of the United States, Russia, and European suppliers to the Near East region during the 1997-2000 period.

The cost of naval combatants is also generally high, and suppliers of such systems during this period had their delivery value totals notably increased due to these transfers. Some of the less expensive weapons systems delivered to the Near East are deadly and can create important security threats within the region. In particular, from 1997-2000, China delivered to the Near East region 100 anti-ship missiles, while the United States delivered 57. China also delivered one guided missile boat to the Near East, while the major West European suppliers collectively delivered 12 guided missile boats and one major surface combatant. Other non-European suppliers delivered 100 anti-ship missiles, and 30 surface-to-surface missiles.

United States Commercial Arms Exports

The United States commercial deliveries data set out below in this report are included in the main data tables for deliveries worldwide and for deliveries to developing nations collectively. They are presented separately here to provide an indicator of their overall magnitude in the U.S. aggregate deliveries totals to the world and to all developing nations. The United States is the only major arms supplier that has two distinct systems for the export of weapons: the government-to-government foreign military sales (FMS) system, and the licensed commercial export system. It should be noted that data maintained on U.S. commercial sales agreements and deliveries are incomplete, and not collected or revised on an on-going basis, making them significantly less precise than those for the U.S. FMS program – which accounts for the overwhelming portion of U.S. conventional arms transfer agreements and deliveries involving weapons systems. There are no official compilations of commercial agreement data comparable to that for the FMS program maintained on an annual basis. Once an exporter receives from the State Department a commercial license authorization to sell – valid for four years – there is no current requirement that the exporter provide to the State Department, on a systematic and ongoing basis, comprehensive details regarding any sales contract that results from the license approval, including if any such contract is reduced in scope or cancelled. Nor is the exporter required to report that no contract with the prospective buyer resulted. Annual commercial deliveries data are obtained from shipper's export documents and completed licenses returned from ports of exit by the U.S. Customs Service to the Office of Defense Trade Controls (PM/DTC) of the State Department, which makes the final compilation of such data. This process for obtaining commercial deliveries data is much less systematic and much less timely than that taken by the Department of Defense for government-to-government FMS transactions. Recently, efforts have been initiated by the U.S. government to improve the timeliness and quality of U.S. commercial deliveries data. The values of U.S. commercial arms deliveries to all nations and deliveries to developing nations for fiscal years 1993-2000, in current dollars, according to the U.S. State Department, were as follows:

Fiscal Year	Commercial Deliveries (Worldwide)	Commercial Deliveries (to Developing Nations)
1993	\$3,808,000,000	\$701,000,000
1994	3,339,000,000	818,000,000
1995	3,173,000,000	850,000,000
1996	1,563,000,000	418,000,000
1997	1,818,000,000	503,000,000
1998	2,045,000,000	402,000,000
1999	654,000,000	125,000,000
2000	476,000,000	86,000,000

Summary of Data Trends, 1993-2000

Tables 1A through 1J present data on arms transfer agreements with developing nations by major suppliers from 1993-2000. These data show the most recent trends in arms contract activity by major suppliers. Delivery data, which reflect implementation of sales decisions taken earlier, are shown in **Tables 2 through 2J**. **Tables 8A, 8B, 8C and 8D** provide data on worldwide arms transfer agreements from 1993-2000, while **Tables 9, 9A, 9C and 9D** provide data on worldwide arms deliveries during this period. To use these data regarding agreements for purposes other than assessing general trends in seller/buyer activity is to risk drawing conclusions that can be readily invalidated by future events – precise values and comparisons, for example, may change due to cancellations or modifications of major arms transfer agreements. These data sets reflect the comparative order of magnitude of arms transactions by arm suppliers with recipient nations expressed in constant dollar terms, unless otherwise noted.

What follows is a detailed summary of data trends from the tables in the report. The summary statements also reference tables and/or charts pertinent to the point(s) noted.

Total Developing Nations Arms Transfer Agreement Values

Table 1A shows the annual constant U.S. 2000 dollar values of arms transfer agreements with developing nations. Some of the more noteworthy facts reflected by these data are summarized below.

- The value of all arms transfer agreements with developing nations in 2000 was \$25.4 billion. This was the highest total, in real terms, for arms transfer agreements with developing nations since 1994. (**Table 1A and Chart 1**.)
- The total value of United States agreements with developing nations rose from \$8.7 billion in 1999 to \$12.6 billion in 2000. The United States' share of all developing world arms transfer agreements increased from 36.6 percent in 1999 to 49.7 percent in 2000. (**Tables 1A and 1B, and Chart 3**.)
- In 2000, the total value, in real terms, of Russian arms transfer agreements with developing nations increased notably from the previous year, rising from \$3.2 billion in 1999 to \$7.4 billion in 2000. The Russian share of all such agreements rose from 13.6 percent in 1999 to 29.1 percent in 2000. (**Charts 3 and 4, Tables 1A and 1B**.)
- The four major West European suppliers, as a group, (France, United Kingdom, Germany, Italy), registered a decrease in their collective share of all arms transfer agreements with developing nations between 1999 and 2000. This group's share fell from 15.4 percent in 1999 to 12.2 percent in 2000. The collective value of this group's arms transfer agreements with

developing nations in 1999 was \$3.6 billion compared with a total of over \$3.1 billion in 2000. (Tables 1A and 1B, and Charts 3 and 4.)

- France registered a notable increase in its share of all arms transfer agreements with developing nations, rising from 1.3 percent in 1999 to 8.3 percent in 2000. The value of its agreements with developing nations rose from \$312 million in 1999 to \$2.1 billion in 2000. (Tables 1A and 1B.)

- In 2000, the United States ranked first in arms transfer agreements with developing nations at \$12.6 billion. Russia ranked second at \$7.4 billion, while France ranked third at \$2.1 billion. (Charts 3 and 4, Tables 1A, 1B and 1G.)

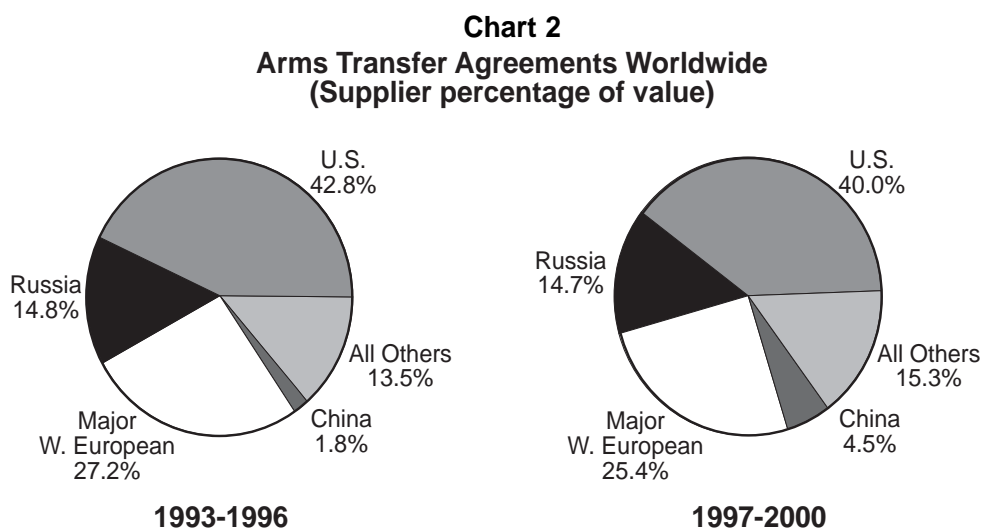
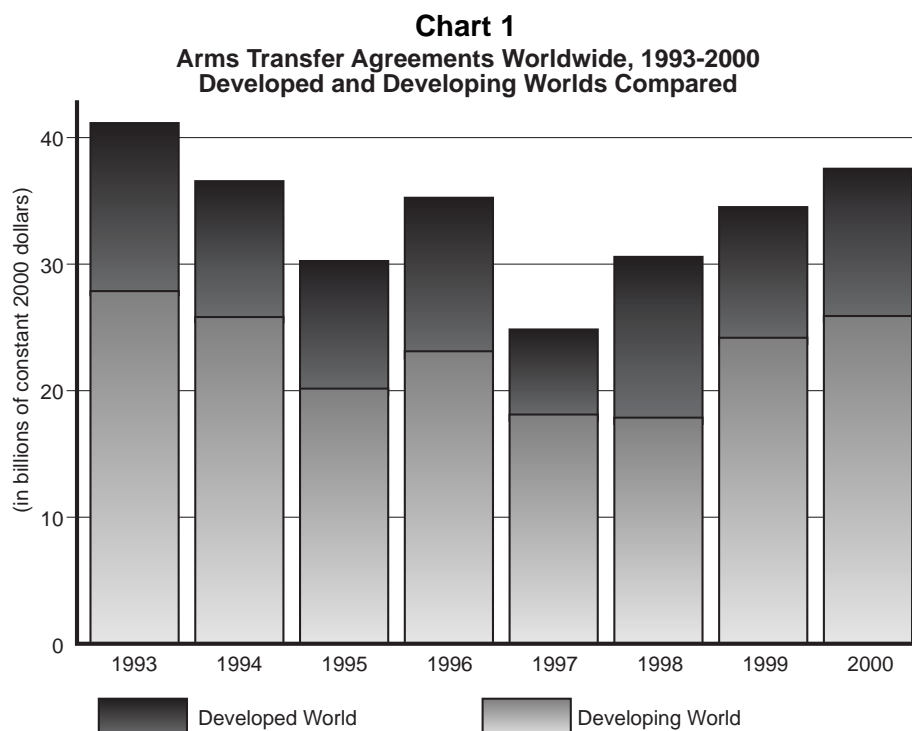


Chart 3
Arms Transfer Agreements with Developing Nations
(Supplier percentage of value)

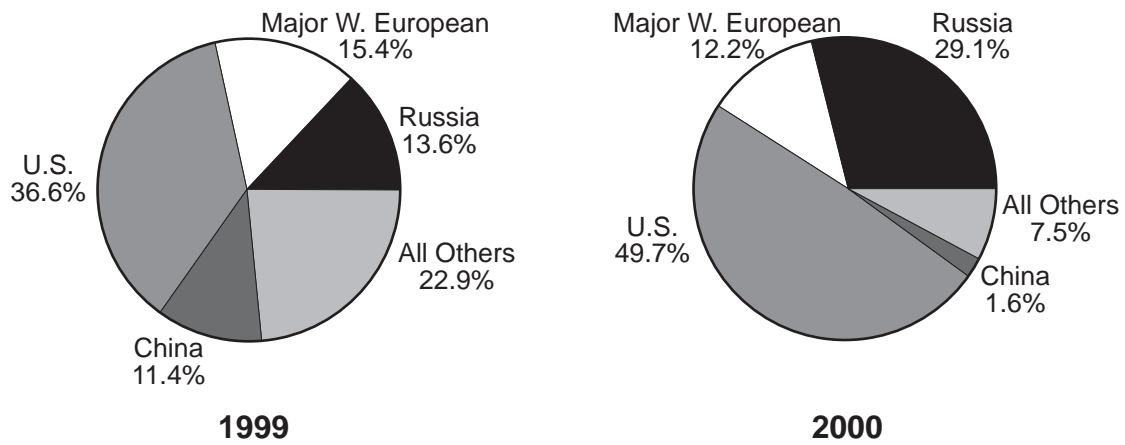


Chart 4
Arms Transfer Agreements with Developing Nations by Major Supplier, 1993-2000
(Billions of constant 2000 dollars)

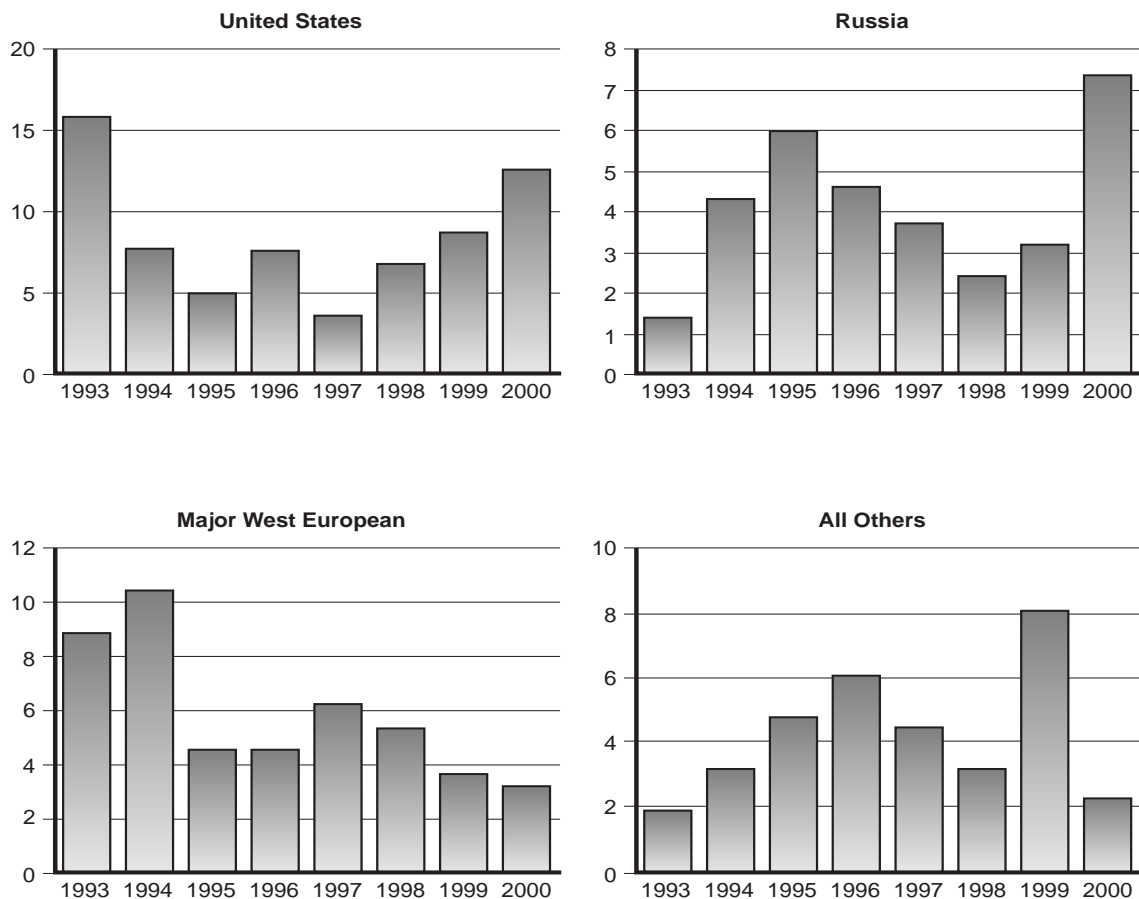


Figure 1
Worldwide Arms Transfer Agreements, 1993-2000
and Suppliers' Share with Developing World
(In millions of constant 2000 U.S. dollars)

Supplier	Worldwide Agreements Value 1993-1996	Percentage of Total with Developing World
United States	\$60,932	58.70
Russia	21,089	77.20
France	21,736	82.60
United Kingdom	10,585	68.10
China	2,514	100.00
Germany	3,835	36.80
Italy	2,510	72.80
All Other European	11,587	73.40
All Others	7,588	65.80
Total	142,356	67.70

Supplier	Worldwide Agreements Value 1997-2000	Percentage of Total with Developing World
United States	\$50,054	60.90
Russia	18,431	90.90
France	13,651	71.40
United Kingdom	4,749	58.40
China	5,686	92.50
Germany	11,225	42.60
Italy	2,215	42.90
All Other European	13,528	63.60
All Others	5,570	75.30
Total	125,108	67.60

Supplier	Worldwide Agreements Value 2000	Percentage of Total with Developing World
United States	\$18,562	68.10
Russia	7,700	96.10
France	4,100	51.20
United Kingdom	600	0.00
China	400	100.00
Germany	1,100	90.90
Italy	100	0.00
All Other European	3,100	29.00
All Others	1,200	83.30
Total	36,862	69.00

Regional Arms Transfer Agreements, 1993-2000

Table 1C gives the values of arms transfer agreements between suppliers and individual regions of the developing world for the periods 1993-1996 and 1997-2000. These values are expressed in current U.S. dollars.¹ **Table 1D**, derived from **Table 1C**, gives the percentage distribution of each supplier's agreement values within the regions for the two time periods. **Table 1E**, also derived from **Table 1C**, illustrates what percentage share of each developing world region's total arms transfer agreements was held by specific suppliers during the years 1993-1996 and 1997-2000.

Near East

- The Near East has generally been the largest regional arms market in the developing world. In 1993-1996, it accounted for 54.6 percent of the total value of all developing nations arms transfer agreements (\$46 billion in current dollars). During 1996-1999, the region accounted for 47.2 percent of all such agreements (\$38.4 billion in current dollars). (**Tables 1C and 1D**.)

- The United States has dominated arms transfer agreements with the Near East during the 1993-2000 period with 55.2 percent of their total value (\$46.5 billion in current dollars). France was second during these years with 22.8 percent (\$19.2 billion in current dollars). Most recently, from 1997-2000, the United States accounted for 60.9 percent of all arms transfer agreements with the Near East region (\$23.4 billion in current dollars). France accounted for 16.2 percent of agreements with this region (\$6.2 billion in current dollars), representing most of the arms transfer agreements by the major West European suppliers to this region. (**Tables 1C and 1E**.)

- For the period 1993-1996, the United States concluded 74.8 percent of its developing world arms transfer agreements with the Near East. In 1997-2000, the U.S. concluded 76.6 percent of its agreements with this region. (**Table 1D**.)

- For the period 1993-1996, the four major West European suppliers collectively made 64.1 percent of their developing world arms transfer agreements with the Near East. In 1997-2000, the major West Europeans made 40.7 percent of their arms agreements with the Near East. (**Table 1D**.)

- For the period 1993-1996, France concluded 83.9 percent of its developing world arms transfer agreements with the Near East. In 1997-2000, France made 68.1 percent of its agreements with the Near East. (**Table 1D**.) For the period 1993-1996, the United Kingdom concluded 39.7 percent of its developing world arms transfer agreements with the Near East. In 1997-2000, the United Kingdom made 15.4 percent of its agreements with the Near East. (**Table 1D**.)

- For the period 1993-1996, China concluded 27.3 percent of its developing world arms transfer agreements with the Near East. In 1997-2000, China made 28.6 percent of its agreements with the Near East. (**Table 1D**.)

- For the period 1993-1996, Russia concluded 17.5 percent of its developing world arms transfer agreements with the Near East. In 1997-2000, Russia made 16.1 percent of its agreements with the Near East. (**Table 1D**.)

- In the earlier period (1993-1996), the United States ranked first in arms transfer agreements with the Near East with 50.4 percent. France ranked second with 28.3 percent. The

¹Because these regional data are composed of four-year aggregate dollar totals, they must be expressed in current dollar terms.

United Kingdom and Russia tied for third with 5.4 percent each. The major West European suppliers, as a group, made 34.6 percent of this region's agreements in 1993-1996. In the later period (1997-2000), the United States ranked first in Near East agreements with 60.9 percent. France ranked second with 16.2 percent. Russia ranked third with 6.8 percent. The major West European suppliers, as a group, made 18.3 percent of this region's agreements in 1997-2000. (**Table 1E.**)

Asia

- Asia has generally been the second largest arms market in the developing world. In the 1993-1996 period, Asia accounted for 36.1 percent of all arms transfer agreements with developing nations (\$30.3 billion in current dollars). In the more recent period, 1997-2000, it accounted for 37.6 percent of all developing nations arms transfer agreements (\$30.5 billion in current dollars). (**Tables 1C and 1D.**)

- In the earlier period, 1993-1996, Russia ranked first in arms transfer agreements with Asia with 35.3 percent. The United States ranked second with 21.2 percent. The major West European suppliers, as a group, made 23.7 percent of this region's agreements in 1993-1996. In the later period, 1997-2000, Russia ranked first in Asian agreements with 40.7 percent, primarily due to major aircraft and naval vessel sales to India and China. The United States ranked second with 19 percent. The major West European suppliers, as a group, made 23 percent of this region's agreements in 1997-2000. (**Table 1E.**)

Latin America

- In the earlier period, 1993-1996, the United States ranked first in arms transfer agreements with Latin America with 24.9 percent. Russia, the United Kingdom and Italy tied for second with 7.7 percent each. The major West European suppliers, as a group, made 25 percent of this region's agreements in 1993-1996. In the later period, 1997-2000, the United States ranked first with 36.3 percent. France ranked second with 8.7 percent. Russia was third with 5.8 percent. The major West European suppliers, as a group, made 11.6 percent of this region's agreements in 1997-2000. Latin America registered a notable decline in the total value of its arms transfer agreements from 1993-1996 to 1997-2000, falling from about \$5.2 billion in the earlier period to \$3.5 billion in the latter. (**Tables 1C and 1E.**)

Africa

- In the earlier period, 1993-1996, Russian ranked first in agreements with Africa with 26.1 percent (\$700 million in current dollars). France and China tied for second with 7.5 percent each. The major West European suppliers, as a group, made 14.9 percent of the region's agreements in 1993-1996. The United States made 3 percent. In the later period, 1997-2000, Germany ranked first in agreements with 22.5 percent (\$2 billion). China ranked second with 12.4 percent (\$1.1 billion). The major West European suppliers, as a group, made 31.5 percent of this region's agreements in 1997-2000. All other European suppliers collectively made 36 percent (\$3.2 billion). The United States made 1.1 percent. Africa registered a significant increase in the total value of its arms transfer agreements from 1993-1996 to 1997-2000, rising from \$2.7 billion in the earlier period to \$8.9 billion in the latter (in current dollars). The notable rise in the level of arms agreements reflected, to an important degree, South Africa's new defense procurement program. (**Tables 1C and 1E.**)

Arms Transfer Agreements With Developing Nations, 1993-2000: Leading Suppliers Compared

Table 1F gives the values of arms transfer agreements with the developing nations from 1993-2000 by the top eleven suppliers. The table ranks these suppliers on the basis of the total current dollar values of their respective agreements with the developing world for each of three periods – 1993-1996, 1997-2000 and 1993-2000. Among the facts reflected in this table are the following:

- The United States ranked first among all suppliers to developing nations in the value of arms transfer agreements from 1997-2000 (\$30.5 billion), and first for the entire period from 1993-2000 (\$61.5 billion).
- Russia ranked second among all suppliers to developing nations in the value of arms transfer agreements from 1997-2000 (\$16.2 billion), and second from 1993-2000 (\$30.5 billion).
- France ranked third among all suppliers to developing nations in the value of arms transfer agreements from 1997-2000 (\$9.2 billion), and third from 1993-2000 (\$24.7 billion).
- The United Kingdom ranked sixth among all suppliers to developing nations in the value of arms transfer agreements from 1997-2000 (\$2.6 billion), but fourth from 1993-2000 (\$8.9 billion).
- China ranked fourth among all suppliers to developing nations in the value of arms transfer agreements from 1997-2000 (\$5 billion), and fifth from 1993-2000 (\$7.2 billion).

Arms Transfer Agreements With Developing Nations in 2000: Leading Suppliers Compared

Table 1G ranks and gives for 2000 the arms transfer agreements values with developing nations of the top eleven suppliers in current U.S. dollars. Among the facts reflected in this table are the following:

- The United States, Russia and France, the year's top three arms suppliers – ranked by the value of their arms transfer agreements – collectively made agreements in 2000 valued at \$22.1 billion, 87 percent of all arms transfer agreements made with developing nations by all suppliers.
- In 2000, the United States was the clear leader in arms transfer agreements with developing nations, making \$12.6 billion in such agreements, or 47.7 percent of them.
- Russia ranked second and France third in arms transfer agreements with developing nations in 2000, making \$7.4 billion and \$2.1 billion in such agreements respectively.
- Germany ranked fourth in arms transfer agreements with developing nations in 2000, making \$1 billion in such agreements, while Israel ranked fifth with \$600 million.

Arms Transfers to Developing Nations, 1993-2000: Agreements With Leading Recipients

Table 1I gives the values of arms transfer agreements made by the top ten recipients of arms in the developing world from 1993-2000 with all suppliers collectively. The table ranks recipients on the basis of the total current dollar values of their respective agreements with all suppliers for each of three periods-1993-1996, 1997-2000 and 1993-2000. Among the facts reflected in this table are the following:

- Saudi Arabia has been, by a clear margin, the leading developing world purchaser of arms from 1993-2000, making agreements totaling \$24.5 billion during these years. The total value of all arms transfer agreements with developing nations from 1993-2000 was \$165.2 billion in current dollars. Saudi Arabia alone was responsible for over 14.8 percent of all developing world arms transfer agreements during these years. In the most recent period – 1997-2000 – the United Arab Emirates ranked first in arms transfer agreements by developing nations (\$14 billion in current dollars). India ranked second (\$7.6 billion in current dollars). The U.A.E. accounted for 17.2 percent of all developing world arms transfer agreements during this period (\$14 billion out of nearly \$81.2 billion in current dollars). (**Tables 1H, 1I, and 1J.**)

- During 1993-1996, the top ten recipients collectively accounted for 70.3 percent of all developing world arms transfer agreements. During 1997-2000, the top ten recipients collectively accounted for 72.8 percent of all such agreements. (**Tables 1I.**)

Arms Transfers to Developing Nations in 2000: Agreements With Leading Recipients

Table 1J names the top ten developing world recipients of arms transfer agreements in 2000. The table ranks these recipients on the basis of the total current dollar values of their respective agreements with all suppliers in 2000. Among the facts reflected in this table are the following:

- The United Arab Emirates ranked first among all developing nations recipients in the value of arms transfer agreements in 2000, concluding \$7.4 billion in such agreements. India ranked second with \$4.8 billion. South Korea ranked third with \$2.3 billion.

- Six of the top ten developing world recipients of arms transfer agreements in 2000 were in Asia. Four were in the Near East.

- Arms transfer agreements with the top ten developing world recipients, as a group, in 2000 totaled \$22.9 billion or 90 percent of all such agreements with the developing world, reflecting a continuing concentration of developing world arms purchases within a few nations. (**Tables 1 and 1J.**)

Developing Nations Arms Delivery Values

Table 2 shows the annual current dollar values of arms deliveries (items actually transferred) to developing nations by major suppliers from 1993-2000. The utility of these particular data is that they reflect transfers that have occurred. They provide the data from which **Table 2A** (constant dollars) is derived. Some of the more notable facts illustrated by these data are summarized below.

- In 2000 the value of all arms deliveries to developing nations (\$19.4 billion) was a notable decrease in deliveries values from the previous year, (\$26.2 billion in constant 2000 dollars). (**Charts 7 and 8, and Table 2A.**)

- The U.S. share of all deliveries to developing nations in 2000 was 44.8 percent, down from 49.6 percent in 1999. In 2000, the United States, for the eighth year in a row, ranked first in the value of arms deliveries to developing nations (in constant 2000 dollars), reflecting continuing implementation of Persian Gulf War era arms transfer agreements. The United Kingdom's share of all arms deliveries to developing nations in 2000 was 22.7 percent, up from 17.5 percent in 1999. The share of major West European suppliers deliveries to developing nations in 2000 was 31 percent, up slightly from 30.2 percent in 1999. (**Table 2A.**)

- The total value of all arms deliveries by all suppliers to developing nations from 1997-2000 (\$106.1 billion in constant 2000 dollars) was slightly higher than the value of arms deliveries by all suppliers to developing nations from 1993-1996 (\$100.5 billion in constant 2000 dollars). (**Table 2A.**)

- During the years 1993-2000, arms deliveries to developing nations comprised 68 percent of all arms deliveries worldwide. In 2000, the percentage of arms deliveries to developing nations was 66 percent of all arms deliveries worldwide. (**Tables 2A and 9A and Figure 2.**)

Chart 7
Arms Deliveries Worldwide, 1993-2000
Developed and Developing Worlds Compared

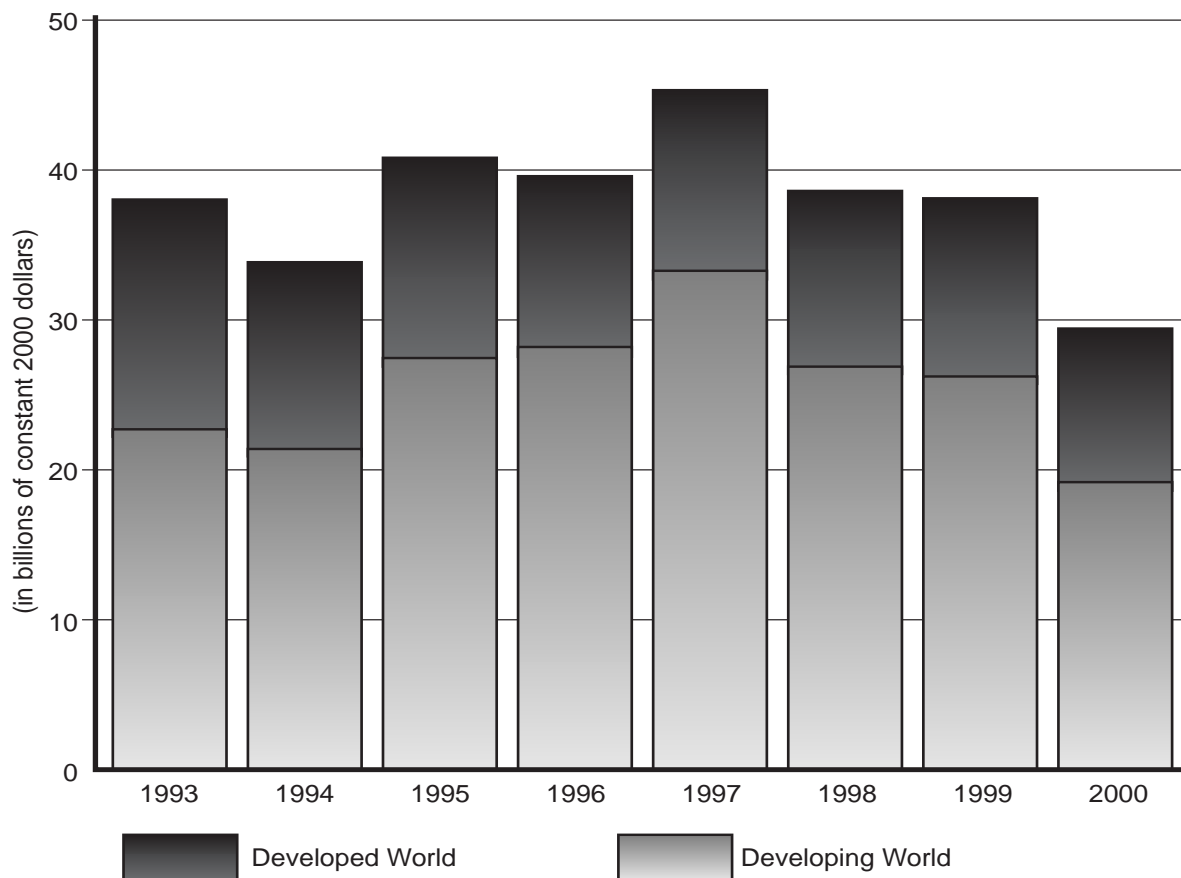


Chart 8
Arms Deliveries to Developing Countries by Major Supplier, 1993-2000
 (Billions of constant 2000 dollars)

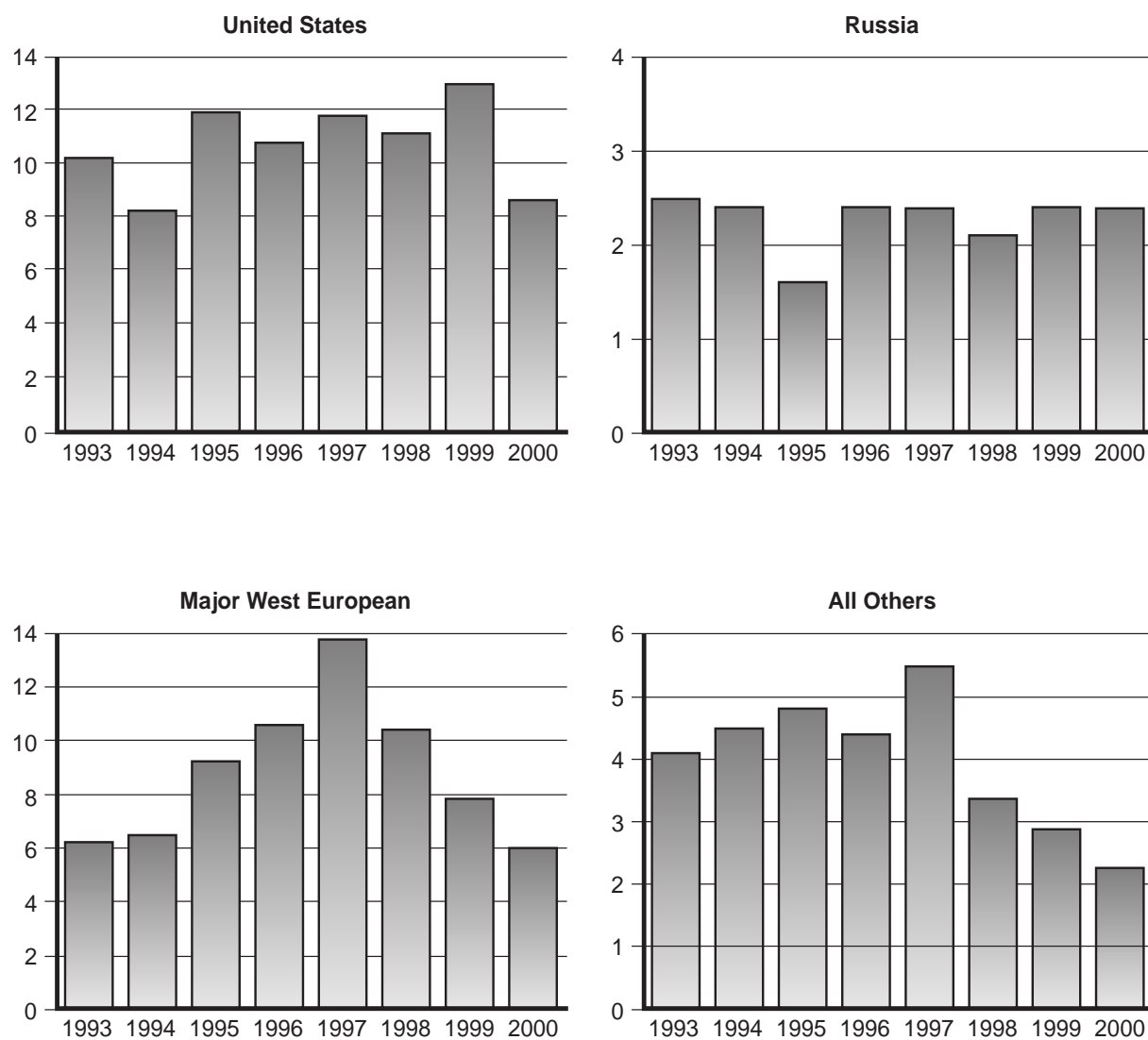


Figure 2
Worldwide Arms Deliveries, 1993-2000
and Suppliers' Share with Developing World
(In millions of constant 2000 U.S. dollars)

Supplier	Worldwide Deliveries Value 1993-1996	Percentage of Total to Developing World
United States	\$68,006	60.50
Russia	13,406	66.70
France	10,455	69.30
United Kingdom	24,696	84.60
China	3,575	96.70
Germany	8,359	45.20
Italy	1,043	54.70
All Other European	14,405	64.20
All Others	8,832	58.40
Total	152,777	65.80

Supplier	Worldwide Deliveries Value 1997-2000	Percentage of Total to Developing World
United States	\$68,040	65.50
Russia	11,887	78.30
France	18,797	87.70
United Kingdom	21,833	86.50
China	2,537	95.80
Germany	5,568	30.00
Italy	1,586	67.40
All Other European	12,991	68.40
All Others	7,884	36.10
Total	151,123	70.20

Supplier	Worldwide Deliveries Value 2000	Percentage of Total to Developing World
United States	\$14,187	61.20
Russia	3,500	68.60
France	1,500	73.30
United Kingdom	5,100	86.30
China	500	100.00
Germany	800	50.00
Italy	300	33.30
All Other European	2,000	65.00
All Others	1,500	33.30
Total	29,387	66.00

Regional Arms Delivery Values, 1993-2000

Table 2C gives the values of arms deliveries by suppliers to individual regions of the developing world for the periods 1993-1996 and 1997-2000. These values are expressed in current U.S. dollars.² **Table 2D**, derived from table 2C, gives the percentage distribution of each supplier's deliveries values within the regions for the two time periods. **Table 2C** illustrates what percentage share of each developing world region's total arms delivery values was held by

²Because these regional data are composed of four-year aggregate dollar totals, they must be expressed in current dollar terms.

specific suppliers during the years 1993-1996 and 1997-2000. Among the facts reflected in these tables are the following:

Near East

- The Near East has generally led in the value of arms deliveries received by the developing world. In 1993-1996, it accounted for 59.2 percent of the total value of all developing nations deliveries (\$48.6 billion in current dollars). During 1997-2000 the region accounted for 57.3 percent of all such deliveries (\$57.7 billion in current dollars). (**Tables 2C and 2D.**)
- For the period 1993-1996, the United States made 67.7 percent of its developing world arms deliveries to the Near East region. In 1997-2000, the United States made 62.3 percent of its developing world arms deliveries to the Near East region. (**Table 2D.**)
- For the period 1993-1996, the United Kingdom made 75.2 percent of its developing world arms deliveries to the Near East region. In 1997-2000, the United Kingdom made 83.8 percent of its developing world arms deliveries to the Near East region. (**Table 2D.**)
- For the period 1996-2000, 66.2 percent of France's arms deliveries to the developing world were to the Near East region. In the more recent period, 1997-2000, 41.6 percent of France's developing world deliveries were to nations of the Near East region. (**Table 2D.**)
- For the period 1993-1996, Russia made 36.5 percent of its developing world arms deliveries to the Near East region. In 1997-2000, Russia made 27.3 percent of such deliveries to the Near East. (**Table 2D.**)
- In the earlier period, 1993-1996, the United States ranked first in the value of arms deliveries to the Near East with 49.8 percent (nearly \$24.2 billion in current dollars). The United Kingdom ranked second with 18.7 percent (\$9.1 billion in current dollars). France ranked third with 8.8 percent (\$4.3 billion in current dollars). The major West European suppliers, as a group, held 28.6 percent of this region's delivery values in 1993-1996. In the later period (1997-2000), the United States ranked first in Near East delivery values with 45.8 percent (\$26.4 billion in current dollars). The United Kingdom ranked second with 26 percent (\$15 CRS-35 billion in current dollars). France ranked third with 11.1 percent (\$6.4 billion in current dollars). The major West European suppliers, as a group, held 39.2 percent of this region's delivery values in 1997-2000.

Asia

- The Asia region has generally ranked second in the value of arms deliveries from most suppliers in both time periods. In the earlier period, 1993-1996, 30.6 percent of all arms deliveries to developing nations were to those in Asia (\$25.1 billion in current dollars). In the later period, 1997-2000, Asia accounted for 36 percent of such arms deliveries (\$36.2 billion in current dollars). For the period 1997-2000, Italy made 72.7 percent of its developing world deliveries to Asia. Russia made 60.2 percent of its developing world arms deliveries to Asia. France made 57.1 percent, while China made 41.7 percent of their developing world deliveries to Asia. (**Tables 2C and 2D.**)
- In the period from 1993-1996, the United States ranked first in the value of arms deliveries to Asia with 35.9 percent. Russia ranked second with 17.9 percent. The United Kingdom ranked third with 10.8 percent. The major West European suppliers, as a group, held 28.3 percent of this region's delivery values in 1993-1996. In the later period, 1997-2000, the United States ranked first in Asian delivery values with 40.1 percent. France ranked second with

24.3 percent. Russia ranked third with 14.6 percent. The major West European suppliers, as a group, held 34.8 percent of this region's delivery values in 1997-2000.

Latin America

- In the earlier period, 1993-1996, the value of all arms deliveries to Latin America was \$5.1 billion. The United States ranked first in the value of arms deliveries to Latin America with 47.1 percent (\$2.4 billion). Russia and France tied for second with 5.9 percent (\$300 million each). The major West European suppliers, as a group, held 13.7 percent of this region's delivery values in 1993-1996. In the later period, 1997-2000, the United States ranked first in Latin American delivery values with 39.7 percent (\$1.4 billion). Russia ranked second with 8.6 percent. The major West European suppliers, as a group, held 17.2 percent of this region's delivery values in 1997-2000. During 1997-2000, the value of all arms deliveries to Latin America was \$3.5 billion, a notable decline from the \$5.1 billion deliveries total for 1993-1996. (**Table 2C.**)

Africa

- In the earlier period, 1993-1996, the value of all arms deliveries to Africa was \$3.3 billion. Russia ranked first in the value of arms deliveries to Africa with 18 percent (\$600 million). The major West European suppliers, as a group, held 15 percent of this region's delivery values in 1993-1996. France alone made 12 percent. The United States made 4 percent. In the later period, 1997-2000, Russia ranked first in African delivery values with 24.3 percent (\$800 million). China ranked second with 18.3 percent (\$600 million). The major West European suppliers, as a group, held 6.1 percent. The United States made 2.7 percent. The other European suppliers collectively held 33.5 percent (\$1.1 billion in current dollars). During this later period, the value of all arms deliveries to Africa remained essentially the same at roughly \$3.3 billion. (**Table 2C.**)

Arms Deliveries to Developing Nations, 1993-2000: Leading Suppliers Compared

Table 2F gives the values of arms deliveries to developing nations from 1993-2000 by the top eleven suppliers. The table ranks these suppliers on the basis of the total current dollar values of their respective deliveries to the developing world for each of three periods: 1993-1996, 1997-2000 and 1993-2000. Among the facts reflected in this table are the following:

- The United States ranked first among all suppliers to developing nations in the value of arms deliveries from 1997-2000 (\$42.5 billion), and first for the entire period from 1993-2000 (\$78.4 billion).
- The United Kingdom ranked second among all suppliers to developing nations in the value of arms deliveries from 1997-2000 (\$18 billion), and second for the entire period from 1993-2000 (\$37.2 billion).
- France ranked third among all suppliers to developing nations in the value of arms deliveries from 1993-2000 (\$15.5 billion), and third for the entire period from 1993-2000 (\$21.9 billion).

Arms Deliveries With Developing Nations in 2000: Leading Suppliers Compared

Table 2G ranks and gives for 2000 the values of arms deliveries to developing nations of the top eleven suppliers in current U.S. dollars. Among the facts reflected in this table are the following:

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- The United States, the United Kingdom and Russia, the year's top three arms suppliers – ranked by the value of their arms deliveries – collectively made deliveries in 2000 valued at \$15.5 billion, 79.9 percent of all arms deliveries made to developing nations by all suppliers.
 - In 2000, the United States ranked first in the value of arms deliveries to developing nations, making \$8.7 billion in such agreements, or 44.8 percent of them.
 - The United Kingdom ranked second and Russia third in deliveries to developing nations in 2000, making \$4.4 billion and \$2.4 billion in such deliveries respectively.
 - France ranked fourth in arms deliveries to developing nations in 2000, making \$1.1 billion in such deliveries, while China ranked fifth with \$500 million.

Arms Deliveries to Near East, 1993-2000: Suppliers and Recipients

Table 2H gives the values of arms delivered to Near East nations by suppliers or categories of suppliers for the periods 1993-1996 and 1997-2000. These values are expressed in current U.S. dollars. They are a subset of the data contained in **Tables 2 and 2C**. Among the facts reflected by this table are the following:

- For the most recent period, 1997-2000, the principal arms recipients of the United States in the Near East region, based on the value of their arms deliveries were Saudi Arabia (\$16.2 billion), Israel (\$3.9 billion), Egypt (\$3.6 billion), Kuwait (\$1.5 billion). The principal arms recipients of Russia were Iran (\$800 million), Algeria (\$500 million), and the U.A.E. (\$400 million). The principal arms recipient of China was Iran (\$400). The principal arms recipients of the four major West European suppliers, as a group, were Saudi Arabia (\$15.4 billion), the U.A.E. (\$2.6 billion), Qatar (\$1.7 billion), and Kuwait (\$1.2 billion). The principal arms recipient of all other European suppliers collectively was Saudi Arabia (\$2.4 billion). The principal arms recipient of all other suppliers, as a group, was Israel (\$200 million).
- For the period 1997-2000, Saudi Arabia received \$34 billion in arms deliveries. Its principal suppliers were the United States (\$16.2 billion), are the four major West Europeans, as a group (\$15.4 billion). Israel received \$5 billion in arms deliveries. Its principal supplier was the United States (\$3.9 billion). The U.A.E. received \$4.2 billion in arms deliveries. Its principal suppliers were the four major West Europeans, as a group, (\$2.6 billion). Egypt received \$4 billion in arms deliveries. Its principal supplier was the United States (\$3.6 billion). Kuwait received \$3 billion in arms deliveries. Its principal suppliers were the United States (\$1.5 billion), and the four major West Europeans, collectively, (\$1.2 billion). Iran received \$1.7 billion in arms deliveries. Its principal suppliers were Russia (\$800 million) and China (\$400 million).
- The value of United States arms deliveries to Saudi Arabia increased notably from \$12.1 billion in 1993-1996 to \$16.2 billion in 1997-2000, as various items ordered during the Persian Gulf war era continued to be delivered.
- The value of Russian arms deliveries to Iran declined from the 1993-1996 period to the 1997-2000 period. Russian arms deliveries fell from \$1.3 billion to \$800 million.
- Arms deliveries to Iran dropped notably from 1993-1996 to 1997-2000, falling from \$2.6 billion in 1993-1996 to \$1.7 billion in 1997-2000. Russia and China collectively delivered 70.6 percent of Iran's arms during the 1997-2000 period (\$1.2 billion).

Arms Deliveries to Developing Nations, 1993-2000: The Leading Recipients

Table 2I gives the values of arms deliveries made to the top ten recipients of arms in the developing world from 1993-2000 by all suppliers collectively. The table ranks recipients on the basis of the total current dollar values of their respective deliveries from all suppliers for each of three periods-1993-1996, 1997-2000 and 1993-2000. Among the facts reflected in this table are the following:

- Saudi Arabia and Taiwan were the top two developing world recipients of arms from 1993-2000, receiving deliveries valued at \$65.9 billion and \$21 billion, respectively, during these years. The total value of all arms deliveries to developing nations from 1993-2000 was \$190.2 billion in current dollars. (**Table 2.**) Thus, Saudi Arabia and Taiwan were responsible for 34.6 percent and 11 percent, respectively, of all developing world deliveries during these years – together 45.6 percent of the total. In the most recent period – 1997-2000 – Saudi Arabia and Taiwan ranked first and second in the value of arms received by developing nations (\$34 billion and \$15.4 billion, respectively, in current dollars). Together, Saudi Arabia and Taiwan accounted for 49 percent of all developing world arms deliveries (\$49.4 billion out of nearly \$100.9 billion – the value of all deliveries to developing nations in 1997-2000 (in current dollars).
- For the 1997-2000 period, Saudi Arabia alone received \$34 billion in arms deliveries (in current dollars), or 33.7 percent of all deliveries to developing nations during this period. During 1993-1996, the top ten recipients collectively accounted for 75.7 percent of all developing world arms deliveries.
- During 1997-2000, the top ten recipients collectively accounted for 77.1 percent of all such deliveries. (**Tables 2 and 2I.**)

Arms Transfers to Developing Nations in 2000: Agreements With Leading Recipients

Table 2J names the top ten developing world recipients of arms transfer agreements in 2000. The table ranks these recipients on the basis of the total current dollar values of their respective agreements with all suppliers in 2000. Among the facts reflected in this table are the following:

- Saudi Arabia was the leading recipient of arms deliveries in 2000 among developing nations, receiving \$7.3 billion in such deliveries, or 37.7 percent. China ranked second with \$1.6 billion. Egypt ranked third with \$1.3 billion. (**Tables 2 and 2J.**)
- Arms deliveries in 2000 to the top ten developing nation recipients, collectively, constituted \$15.6 billion, or 80.5 percent of all developing nations deliveries. Six of the top ten arms recipients in the developing world in 2000 were in the Near East region; four were in Asia. (**Tables 2 and 2J.**)

Table 1A
Arms Transfer Agreements with Developing
Nations, by Supplier, 1993-2000
(In millions of constant 2000 U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	1993-2000
United States	15,762	7,741	4,753	7,519	3,535	6,670	8,650	12,638	67,268
Russia	1,420	4,283	6,013	4,554	3,695	2,444	3,223	7,400	33,032
France	4,615	9,377	2,723	1,222	4,673	2,657	312	2,100	27,679
United Kingdom	2,722	810	681	2,999	1,087	1,063	624	0	9,986
China	592	695	227	1,000	1,413	744	2,704	400	7,775
Germany	1,183	0	227	0	109	1,594	2,080	1,000	6,193
Italy	355	232	908	333	326	0	624	0	2,778
All Other European	592	1,968	2,723	3,221	1,848	1,382	4,471	900	17,105
All Others	710	579	1,815	1,888	1,196	1,063	936	1,000	9,187
Total	27,951	25,685	20,070	22,736	17,882	17,617	23,624	25,438	181,003

Table 1B
Arms Transfer Agreements with Developing
Nations, by Supplier, 1993-2000
(Expressed as a percent of total by year)

	1993	1994	1995	1996	1997	1998	1999	2000
United States	56.39%	30.14%	23.68%	33.07%	19.77%	37.86%	36.62%	49.68%
Russia	5.08%	16.68%	29.96%	20.03%	20.66%	13.88%	13.64%	29.09%
France	16.51%	36.51%	13.57%	5.37%	26.14%	15.08%	1.32%	8.26%
United Kingdom	9.76%	3.16%	3.39%	13.19%	6.08%	6.03%	2.64%	0.00%
China	2.12%	2.70%	1.13%	4.40%	7.90%	4.22%	11.44%	1.57%
Germany	4.23%	0.00%	1.13%	0.00%	0.61%	9.05%	8.80%	3.93%
Italy	1.27%	0.90%	4.25%	1.47%	1.82%	0.00%	2.64%	0.00%
All Other European	2.12%	7.66%	13.57%	14.17%	10.33%	7.84%	18.93%	3.54%
All Others	2.54%	2.25%	9.05%	8.30%	6.69%	6.03%	3.96%	3.93%
[Major West European*]	31.75%	40.56%	22.61%	20.03%	34.64%	30.16%	15.41%	12.19%]
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*Major West European category includes France, United Kingdom, Germany, Italy.

Table 1C
Regional Arms Transfer Agreements, by Supplier, 1993-2000
(In millions of current U.S. dollars)

	Asia		Near East		Latin America		Africa	
	1993- 1996	1997- 2000	1993- 1996	1997- 2000	1993- 1996	1997- 2000	1993- 1996	1997- 2000
United States	6,439	5,784	23,150	23,353	1,295	1,253	80	96
Russia	10,700	12,400	2,500	2,600	400	200	700	1,000
France	2,000	2,600	13,000	6,200	300	300	200	0
United Kingdom	3,300	1,700	2,500	400	400	0	100	500
China	1,300	2,400	600	1,400	100	0	200	1,100
Germany	1,000	2,400	100	100	200	0	0	2,000
Italy	900	300	300	300	400	100	100	300
All Other European	2,700	1,100	2,900	2,800	1,300	1,200	600	3,200
All Others	2,000	1,800	900	1,200	800	400	700	700
[Major West European*]	7,200	7,000	15,900	7,000	1,300	400	400	2,800]
Total	30,339	30,484	45,950	38,353	5,195	3,453	2,680	8,896

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. The United States total for Near East in 1997-2000 includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

*Major West European category includes France, United Kingdom, Germany, and Italy.

Table 1D
Percentage of Each Supplier's Agreements Value by Region, 1993-2000

	Asia		Near East		Latin America		Africa		Total	
	1993- 1996	1997- 2000	1993- 1996	1997- 2000	1993- 1996	1997- 2000	1993- 1996	1997- 2000	1993- 1996	1997- 2000
United States	20.80%	18.97%	74.76%	76.60%	4.18%	4.11%	0.26%	0.31%	100.00%	100.00%
Russia	74.83%	76.54%	17.48%	16.05%	2.80%	1.23%	4.90%	6.17%	100.00%	100.00%
France	12.90%	28.57%	83.87%	68.13%	1.94%	3.30%	1.29%	0.00%	100.00%	100.00%
United Kingdom	52.38%	65.38%	39.68%	15.38%	6.35%	0.00%	1.59%	19.23%	100.00%	100.00%
China	59.09%	48.98%	27.27%	28.57%	4.55%	0.00%	9.09%	22.45%	100.00%	100.00%
Germany	76.92%	53.33%	7.69%	2.22%	15.38%	0.00%	0.00%	44.44%	100.00%	100.00%
Italy	52.94%	30.00%	17.65%	30.00%	23.53%	10.00%	5.88%	30.00%	100.00%	100.00%
All Other European	36.00%	13.25%	38.67%	33.73%	17.33%	14.46%	8.00%	38.55%	100.00%	100.00%
All Others	45.45%	43.90%	20.45%	29.27%	18.18%	9.76%	15.91%	17.07%	100.00%	100.00%
[Major West European*]	29.03%	40.70%	64.11%	40.70%	5.24%	2.33%	1.61%	16.28%	100.00%	100.00%
Total	36.05%	37.55%	54.60%	47.24%	6.17%	4.25%	3.18%	10.96%	100.00%	100.00%

*Major West European category includes France, United Kingdom, Germany, and Italy.

Table 1E
Percentage of Total Agreements Value by Supplier to Regions, 1993-2000

	Asia		Near East		Latin America		Africa	
	1993- 1996	1997- 2000	1993- 1996	1997- 2000	1993- 1996	1997 2000	1993- 1996	1997 2000
United States	21.22%	18.97%	50.38%	60.89%	24.93%	36.29%	2.99%	1.08%
Russia	35.27%	40.68%	5.44%	6.78%	7.70%	5.79%	26.12%	11.24%
France	6.59%	8.53%	28.29%	16.17%	5.77%	8.69%	7.46%	0.00%
United Kingdom	10.88%	5.58%	5.44%	1.04%	7.70%	0.00%	3.73%	5.62%
China	4.28%	7.87%	1.31%	3.65%	1.92%	0.00%	7.46%	12.37%
Germany	3.3%	7.87%	0.22%	0.26%	3.85%	0.00%	0.00%	22.48%
Italy	2.97%	0.98%	0.65%	0.78%	7.70%	2.90%	3.73%	3.37%
All Other European	8.90%	3.61%	6.31%	7.30%	25.02%	34.75%	22.39%	35.97%
All Others	6.59%	5.90%	1.96%	3.13%	15.40%	11.58%	26.12%	7.87%
[Major West European	23.73%	22.96%	34.60%	18.25%	25.02%	11.58%	14.93%	31.47%]
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*Major West European category includes France, United Kingdom, Germany, and Italy.

Table 1F
Arms Transfer Agreements with Developing Nations, 1993-2000
Leading Suppliers Compared
(In millions of current U.S. dollars)

Rank	Supplier	Agreements Value 1993-1996
1	United States	30,965
2	France	15,500
3	Russia	14,300
4	United Kingdom	6,300
5	China	2,200
6	Italy	1,600
7	Ukraine	1,400
8	Germany	1,200
9	Israel	1,100
10	Netherlands	1,100
11	South Africa	1,000

Rank	Supplier	Agreements Value 1997-2000
1	United States	30,486*
2	Russia	16,200
3	France	9,200
4	China	5,000
5	Germany	4,600
6	United Kingdom	2,600
7	Sweden	2,300
8	Israel	1,500
9	Belgium	1,000
10	Belarus	1,000
11	Italy	900

Rank	Supplier	Agreements Value 1993-2000
1	United States	61,451*
2	Russia	30,500
3	France	24,700
4	United Kingdom	8,900
5	China	7,200
6	Germany	5,800
7	Israel	2,600
8	Italy	2,500
9	Sweden	2,400
10	Ukraine	2,300
11	Belarus	1,900

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

*The United States total includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

Table 1G
Arms Transfer Agreements with Developing
Nations in 2000: Leading Suppliers Compared
(In millions of current U.S. dollars)

Rank	Supplier	Agreements Value 1993-1996
1	United States	12,638
2	Russia	7,400
3	France	2,100
4	Germany	1,000
5	Israel	600
6	China	400
7	Turkey	300
8	Belarus	100
9	Brunei	100
10	Cyprus	100
11	North Korea	100

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

*The United States total includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

Table 11
Arms Transfer Agreements of Developing Nations, 1993-2000
Agreements by the Leading Recipients
(In millions of current U.S. dollars)

Rank	Recipient	Agreements Value 1993-1996
1	Saudi Arabia	18,800
2	China	7,100
3	Kuwait	5,300
4	U.A.E.	5,000
5	Egypt	4,700
6	Israel	4,300
7	India	3,900
8	South Korea	3,400
9	Pakistan	3,300
10	Indonesia	3,200

Rank	Recipient	Agreements Value 1997-2000
1	U.A.E.	14,000*
2	India	7,600
3	Egypt	6,900
4	Saudi Arabia	5,700
5	China	5,500
6	Israel	5,200
7	South Korea	4,700
8	South Africa	4,500
9	Singapore	2,800
10	Malaysia	2,200

Rank	Recipient	Agreements Value 1993-2000
1	Saudi Arabia	24,500
2	U.A.E.	19,000*
3	China	12,600
4	Egypt	11,600
5	India	11,500
6	Israel	9,500
7	South Korea	8,100
8	Kuwait	6,000
9	Pakistan	5,300
10	South Korea	4,700

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

*The U.A.E. total includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

Table 1J
Arms Transfer Agreements of Developing Nations in 2000
Agreements by Leading Recipients
(In millions of current U.S. dollars)

Rank	Recipient	Agreements Value 2000
1	U.A.E.	7,400*
2	India	4,800
3	South Korea	2,300
4	China	2,100
5	Egypt	1,800
6	Israel	1,600
7	Singapore	1,600
8	Saudi Arabia	500
9	North Korea	400
10	Malaysia	400

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

*The United States total includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

Table 2
Arms Deliveries to Developing Nations, by Supplier, 1993-2000
(In millions of current U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	1993-2000
United States	8,648	7,094	10,486	9,730	10,814	10,461	12,461	8,686	78,410
Russia	2,100	1,400	2,700	2,200	2,200	2,000	2,300	2,400	17,300
France	800	700	2,000	2,900	5,800	6,100	2,500	1,100	21,900
United Kingdom	3,800	4,700	4,900	5,800	5,900	3,300	4,400	4,400	37,200
China	1,100	600	700	600	1,000	500	300	500	5,300
Germany	600	900	1,100	700	400	200	600	400	4,900
Italy	0	200	200	100	600	200	100	100	1,500
All Other European	1,300	2,200	2,300	2,300	3,200	2,000	1,900	1,300	16,500
All Others	1,100	1,100	1,200	1,100	900	700	600	500	7,200
Total	19,448	18,894	25,586	25,430	30,814	25,461	25,191	19,386	190,210

Dollar inflation index:

(2000 = 1.00)* 0.845 0.8638 0.8814 0.9004 0.9201 0.9409 0.9617 1

Source: U.S. government.

Note: Developing nations category excludes the United States, Russia, Europe, Canada, Japan, Australia, and New Zealand. All data are for the calendar year given, except for U.S. Military Assistance Program, international military education and training, Excess Defense Articles, and commercially licensed deliveries, which are included for the particular fiscal year. All amounts given include the values of weapons, spare parts, construction, all associated services, military assistance, Excess Defense Articles, and training programs. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million.

*Based on Department of Defense price deflator.

Table 2A
Arms Deliveries to Developing Nations, by Supplier, 1993-2000
(In millions of constant 2000 U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	1993-2000
United States	10,234	8,213	11,897	10,806	11,753	11,118	12,988	8,686	85,695
Russia	2,485	2,431	1,588	2,443	2,391	2,126	2,392	2,400	18,256
France	947	810	2,269	3,221	6,304	6,483	2,600	1,100	23,734
United Kingdom	4,497	4,399	5,559	6,442	6,412	3,507	4,575	4,400	39,791
China	1,302	695	794	666	1,087	531	312	500	5,887
Germany	710	1,042	1,248	777	435	213	624	400	5,449
Italy	0	232	227	111	652	213	104	100	1,639
All Other European	1,538	2,547	2,609	2,554	3,478	2,126	1,976	1,300	18,128
All Others	1,302	1,273	1,361	1,222	978	744	624	500	8,004
Total	23,015	21,642	27,552	28,242	33,490	27,061	26,195	19,386	206,583

Table 2C
Regional Arms Deliveries by Supplier, 1993-2000
(In millions of current U.S. dollars)

	Asia		Near East		Latin America		Africa	
	1993-1996	1997-2000	1993-1996	1997-2000	1993-1996	1997-2000	1993-1996	1997-2000
United States	9,008	14,510	24,242	26,412	2,402	1,383	133	87
Russia	4,500	5,300	3,100	2,400	300	300	600	800
France	1,500	8,800	4,300	6,400	300	200	400	0
United Kingdom	2,700	2,600	9,100	15,000	200	200	100	100
China	1,500	1,000	1,200	800	100	0	200	600
Germany	2,600	400	400	1,000	200	200	0	0
Italy	300	800	100	200	0	0	0	100
All Other European	1,700	1,600	5,200	4,800	800	900	600	1,100
All Others	1,300	1,200	1,000	700	800	300	1,300	500
[Major West European*]	7,100	12,600	13,900	22,600	700	600	500	200]
Total	25,108	36,210	48,642	57,712	5,102	3,483	3,333	3,287

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million.

*Major West European category include; France, United Kingdom, Germany, and Italy.

Table 2D
Percentage of Supplier's Deliveries Value by Region, 1993-2000

	Asia		Near East		Latin America		Africa		Total	
	1993-1996	1997-2000	1993-1996	1997-2000	1993-1996	1997-2000	1993-1996	1997-2000	1993-1996	1997-2000
United States	25.17%	34.23%	67.74%	62.30%	6.71%	3.26%	0.37%	0.21%	100.00%	100.00%
Russia	52.94%	60.23%	36.47%	27.27%	3.53%	3.41%	7.06%	9.09%	100.00%	100.00%
France	23.08%	57.14%	66.15%	41.56%	4.62%	1.30%	6.15%	0.00%	100.00%	100.00%
United Kingdom	22.31%	14.53%	75.21%	83.80%	1.65%	1.12%	0.83%	0.56%	100.00%	100.00%
China	50.00%	41.67%	40.00%	33.33%	3.33%	0.00%	6.67%	25.00%	100.00%	100.00%
Germany	81.25%	25.00%	12.50%	62.50%	6.25%	12.50%	0.00%	0.00%	100.00%	100.00%
Italy	75.00%	72.73%	25.00%	18.18%	0.00%	0.00%	0.00%	9.09%	100.00%	100.00%
All Other European	20.48%	19.05%	62.65%	57.14%	9.64%	10.71%	7.23%	13.10%	100.00%	100.00%
All Others	29.55%	44.44%	22.73%	25.93%	18.18%	11.11%	29.55%	18.52%	100.00%	100.00%
[Major West European*	31.98%	35.00%	62.61%	62.78%	3.15%	1.67%	2.25%	0.56%	100.00%	100.00%]
Total	30.55%	35.96%	59.19%	57.32%	6.21%	3.46%	4.06%	3.26%	100.00%	100.00%

*Major West European category includes France, United Kingdom, Germany, and Italy.

Table 2F
Arms Deliveries to Developing Nations, 1993-2000:
Leading Suppliers Compared
(In millions of current U.S. dollars)

Rank	Supplier	Agreements Value 1993-1996
1	United States	35,958
2	United Kingdom	19,200
3	Russia	8,400
4	France	6,400
5	Germany	3,300
6	China	3,000
7	Sweden	2,300
8	Israel	1,900
9	Canada	1,000
10	South Africa	900
11	Netherlands	700

Rank	Supplier	Agreements Value 1997-2000
1	United States	42,452
2	United Kingdom	18,000
3	France	15,500
4	Russia	8,900
5	Sweden	2,400
6	China	2,300
7	Germany	1,600
8	Ukraine	1,500
9	Belarus	1,100
10	Italy	1,000
11	Israel	700

Rank	Supplier	Agreements Value 1997-2000
1	United States	78,410
2	United Kingdom	37,200
3	France	21,900
4	Russia	17,300
5	China	5,300
6	Germany	4,900
7	Sweden	4,700
8	Israel	2,600
9	Ukraine	2,000
10	Belarus	1,500
11	Italy	1,500

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

Table 2G
Arms Deliveries to Developing Nations in 2000:
Leading Suppliers Compared
(In millions of current U.S. dollars)

Rank	Supplier	Agreements Value 2000
1	United States	8,686
2	United Kingdom	4,400
3	Russia	2,400
4	France	1,100
5	China	500
6	Sweden	500
7	Germany	400
8	Belarus	200
9	North Korea	200
10	Ukraine	200
11	Brunei	100

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

Table 2H
Arms Deliveries to Near East by Supplier
(In millions of current U.S. dollars)

Recipient Country	U.S.	Russia	China	Major West European*	All Other European	All Others	Total
1993-1996							
Algeria	0	300	0	0	200	0	500
Bahrain	200	0	0	0	0	0	200
Egypt	6,000	200	0	100	400	0	6,700
Iran	0	1,300	900	100	100	200	2,600
Iraq	0	0	0	0	0	0	0
Israel	2,100	0	100	300	0	100	2,600
Jordan	200	0	0	0	0	100	300
Kuwait	3,100	800	0	700	0	0	4,600
Lebanon	100	0	0	0	0	0	100
Libya	0	0	0	0	0	0	0
Morocco	100	0	0	100	0	0	200
Oman	0	0	0	1,000	100	100	1,200
Qatar	0	0	0	0	0	0	0
Saudi Arabia	12,100	0	100	16,100	3,600	0	31,900
Syria	0	100	0	0	200	100	400
Tunisia	100	0	0	0	100	0	200
U.A.E.	600	300	0	2,400	0	400	3,700
Yemen	0	0	100	0	300	0	400
1997-2000							
Algeria	0	500	100	0	600	0	1,200
Bahrain	500	0	0	0	0	0	500
Egypt	3,600	300	0	100	0	0	4,000
Iran	0	800	400	100	300	100	1,700
Iraq	0	0	0	0	0	0	0
Israel	3,900	0	0	900	0	200	5,000
Jordan	200	0	0	0	0	100	300
Kuwait	1,500	0	200	1,200	100	0	3,000
Lebanon	100	0	0	100	0	0	200
Libya	0	0	0	0	100	0	100
Morocco	100	0	0	100	200	100	500
Oman	0	0	0	200	0	0	200
Qatar	0	0	0	1,700	0	0	1,700
Saudi Arabia	16,200	0	0	15,400	2,400	0	34,000
Syria	0	300	0	100	0	0	400
Tunisia	0	0	0	0	0	0	100
U.A.E.	300	400	0	2,600	800	100	4,200
Yemen	0	0	0	100	100	0	200

Source: U.S. government

Note: 0 = data less than \$50 million or nil. All data are rounded to nearest \$100 million.

* Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure.

Table 2I
Arms Deliveries to Developing Nations, 1993-2000:
the Leading Recipients
(In millions of current U.S. dollars)

Rank	Recipient	Deliveries Value 1993-1996
1	Saudi Arabia	31,900
2	Egypt	6,700
3	Taiwan	5,600
4	South Korea	5,000
5	Kuwait	4,600
6	U.A.E.	3,700
7	China	2,900
8	Iran	2,600
9	Israel	2,600
10	Malaysia	2,000

Rank	Recipient	Deliveries Value 1997-2000
1	Saudi Arabia	34,000
2	Taiwan	15,400
3	Israel	5,000
4	South Korea	4,700
5	U.A.E.	4,200
6	Egypt	4,000
7	China	3,300
8	Kuwait	3,000
9	India	2,100
10	Malaysia	2,100

Rank	Recipient	Deliveries Value 1993-2000
1	Saudi Arabia	65,900
2	Taiwan	21,000
3	Egypt	10,700
4	South Korea	9,700
5	U.A.E.	7,900
6	Kuwait	7,600
7	Israel	7,600
8	China	6,200
9	Iran	4,200
10	Malaysia	4,100

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

Table 2J

**Arms Deliveries to Developing Nations in 2000:
the Leading Recipients
(In millions of current U.S. dollars)**

Rank	Recipient	Deliveries Value 2000
1	Saudi Arabia	7,300
2	China	1,600
3	Egypt	1,300
4	Taiwan	1,200
5	Israel	1,000
6	Kuwait	1,000
7	South Korea	700
8	Indonesia	700
9	U.A.E.	500
10	Algeria	300

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

Selected Weapons Deliveries to Developing Nations, 1993-2000

Other useful data for assessing arms transfers are those that indicate who has actually delivered specific numbers of specific classes of military items to a region. These data are relatively “hard” in that they reflect actual transfers of military equipment. They have the limitation of not giving detailed information regarding either the sophistication or the specific name of the equipment delivered. However, these data show relative trends in the delivery of important classes of military equipment and indicate who the leading suppliers are from region to region over time. Data in the following tables set out actual deliveries of fourteen categories of weaponry to developing nations from 1993-2000 by the United States, Russia, China, the four major West European suppliers as a group, all other European suppliers as a group, and all other suppliers as a group. (**Table 3.**)

A note of caution is warranted regarding the quantitative data with these specific tables. Aggregate data on weapons categories delivered by suppliers do not provide precise indices of the quality and/or quantity of the weaponry delivered. The history of recent conventional conflicts suggests that quality and/or sophistication of weapons can offset quantitative advantage. Further, these data do not provide an indication of the relative capabilities of the recipient nations to use effectively the weapons delivered to them. Superior training – coupled with good equipment, tactical proficiency, and sound logistics – may, in the last analysis, be a more important factor in a nation’s ability to engage successfully in conventional warfare than the size of its weapons inventory.

Regional Weapons Deliveries Summary, 1997-2000

- The regional weapons delivery data collectively show that the United States was the leading supplier of several major classes of conventional weaponry from 1997-2000. Russia transferred significant quantities of certain weapons classes, although generally less than the United States or other supplier groups in most regions, during these years.

- The major West European suppliers were serious competitors in weapons deliveries from 1997-2000 making notable deliveries of certain categories of armaments to every region of the developing world-most particularly to the Near East, Asia, and to Latin America. In Africa, European suppliers, China, and all other non-European suppliers were principal competitors for Russia in arms deliveries.

- Regional weapons delivery data reflect the diverse sources of supply of conventional weaponry available to developing nations. Even though the United States, Russia, and the four major West European suppliers tend to dominate the delivery of the fourteen classes of weapons examined, it is also evident that the other European suppliers, and non-European suppliers, including China, are fully capable of providing specific classes of conventional armaments, such as tanks, missiles, armored vehicles, aircraft, artillery pieces, and the various missile categories, surface-to-surface, surface-to-air, and anti-ship, to developing nations, should their systems prove attractive to prospective purchasers.

Noteworthy deliveries of specific categories of weapons to regions of the developing world by specific suppliers from 1997-2000 included the following:

Asia

Russia delivered one major surface combatant, five minor surface combatants, four submarines, eighty supersonic combat aircraft, seventy helicopters, one thousand and twenty surface-to-air missiles, and ninety anti-ship missiles. The United States delivered three hundred sixty-nine tanks and self-propelled guns, seven major surface combatants, two hundred seventy nine supersonic combat aircraft, sixty-two helicopters, five hundred twenty-two surface-to-air missiles, and one hundred eighty-one anti-ship missiles. China delivered one hundred tanks and self-propelled guns, one hundred twenty APCs and armored cars, one major surface combatant, fourteen minor surface combatants, two guided missile boats, fifty supersonic combat aircraft, three hundred and seventy surface-to-air missiles, and forty anti-ship missiles. The four major West European suppliers as a group delivered one hundred twenty APCs and armored cars, six major surface combatants, eleven minor surface combatants, three submarines, eighty supersonic combat aircraft, one thousand six hundred forty surface-to-air missiles, and sixty anti-ship missiles. All other European suppliers collectively delivered three hundred twenty tanks and self-propelled guns, one hundred ten APCs and armored cars, one major surface combatant, four minor surface combatants, one submarine, and forty supersonic combat aircraft. All other non-European suppliers collectively delivered one hundred ten artillery pieces, one major surface combatant, thirty-four minor surface combatants, two submarines, ten supersonic combat aircraft, and fifty surface-to-air missiles.

Near East

Russia delivered three hundred fifty tanks and self-propelled guns, six hundred APCs and armored cars, one submarine, twenty supersonic combat aircraft, and fifty helicopters. The United States delivered ninety-three tanks and self-propelled guns, one thousand nineteen APCs and armored cars, one minor surface combatant, one hundred twenty-nine supersonic combat aircraft, fifty-six helicopters, five hundred eighty-nine surface-to-air missiles, and fifty-seven anti-ship missiles. China delivered one guided missile boat, three hundred surface-to-air missiles, and one hundred anti-ship missiles. The four major West European suppliers collectively delivered two hundred fifty tanks and self-propelled guns, two hundred sixty APCs and armored cars, one major surface combatant, twelve minor surface combatants, twelve guided missile boats, three submarines, thirty supersonic combat aircraft, thirty helicopters, and one hundred sixty anti-ship missiles. All other European suppliers as a group delivered one hundred ten artillery pieces, two major surface combatants, three minor surface combatants, forty supersonic combat aircraft, and

ten helicopters. All other suppliers collectively delivered five hundred thirty APCs and armored cars, three minor surface combatants, thirty surface-to-surface missiles, and one hundred anti-ship missiles.

Latin America

Russia delivered thirty APCs and armored cars, and sixty helicopters. The United States delivered fourteen APCs and armored cars, two major surface combatants, fifty-two helicopters, and nine anti-ship missiles. China delivered one hundred twenty surface-to-air missiles. The four major West European suppliers collectively delivered eighty tanks and self-propelled guns, one hundred forty APCs and armored cars, one major surface combatant, two minor surface combatants, four guided missile boats, one submarine, twenty helicopters, one hundred ten surface-to-air missiles, and thirty anti-ship missiles. All other European suppliers collectively delivered three hundred thirty tanks and self-propelled guns, forty APCs and armored cars, eight major surface combatants, eighty-seven minor surface combatants, ten supersonic combat aircraft, twenty helicopters, and seven hundred eighty surface-to-air missiles. All other non-European suppliers as a group delivered twenty tanks and self-propelled guns, two guided missile boats, and ten anti-ship missiles.

Africa

Russia delivered fifty tanks and self-propelled guns, eighty APCs and armored cars, one hundred eighty artillery pieces, forty supersonic combat aircraft, and twenty helicopters. The United States delivered two minor surface combatants. China delivered one hundred forty tanks and self-propelled guns, five minor surface combatants, twenty supersonic combat aircraft, and ten helicopters. The four major West European suppliers collectively delivered eight minor surface combatants. All other European suppliers collectively delivered six hundred ten tanks and self-propelled guns, three hundred ninety artillery pieces, three hundred thirty APCs and armored cars, six minor surface combatants, thirty supersonic combat aircraft, seventy helicopters, and three hundred seventy surface-to-surface missiles. All other non-European suppliers as a group delivered one hundred tanks and self-propelled guns, one hundred artillery pieces, four hundred seventy APCs and armored cars, five minor surface combatants, twenty supersonic combat aircraft, twenty helicopters, and one hundred fifty surface-to-air missiles.

Table 3
Numbers of Weapons Delivered by Major Suppliers to Developing Nations

Weapons Category	U.S.	Russia	China	Major West European	All Other European	All Others
1993-1996						
Tanks and Self-Propelled						
Guns	1,935	240	260	130	510	30
Artillery	269	490	170	140	650	200
APCs and Armored Cars	2,444	1,400	40	710	760	2,120
Major Surface Combatants	0	0	3	49	0	0
Minor Surface Combatants	57	13	14	49	35	70
Guided Missile Boats	0	0	19	0	0	3
Submarines	0	3	0	9	0	0
Supersonic Combat Aircraft	175	70	120	0	70	40
Subsonic Combat Aircraft	69	0	0	110	0	0
Other Aircraft	44	30	70	90	280	140
Helicopters	210	230	0	100	120	10
Surface-to-Air Missiles	1,697	1,670	270	2,040	1,980	130
Surface-to-Surface Missiles	0	0	0	0	0	40
Anti-Ship Missiles	515	30	200	70	0	170
1997-2000						
Tanks and Self-Propelled						
Guns	462	430	240	330	1,260	130
Artillery	180	200	120	50	540	240
APCs and Armored Cars	1,061	780	120	520	480	1,050
Major Surface Combatants	9	1	1	8	11	1
Minor Surface Combatants	3	5	19	33	100	42
Guided Missile Boats	0	0	3	16	0	2
Submarines	0	5	0	7	1	2
Supersonic Combat Aircraft	408	140	70	110	120	30
Subsonic Combat Aircraft	2	0	0	60	30	30
Other Aircraft	58	30	50	50	100	190
Helicopters	170	200	10	60	100	20
Surface-to-Air Missiles	1,111	1,120	790	1,750	1,150	200
Surface-to-Surface Missiles	0	0	0	0	0	30
Anti-Ship Missiles	247	90	140	250	50	110

Source: U.S. government

Note: Developing nations category excludes the U.S., Russia, Europe, Canada, Japan, Australia, and New Zealand. All data are for calendar years given. Major West European includes France, United Kingdom, Germany, and Italy totals as an aggregate figure. Data relating to surface-to-surface and anti-ship missiles by foreign suppliers are estimates based on a variety of sources having a wide range of accuracy. As such, individual data entries in these two weapons delivery categories are not necessarily definitive.

Worldwide Arms Transfer Agreements and Deliveries Values, 1993-2000

Tables 8A, 8B, 9, and 9A, provide the total dollar values for arms transfer agreements and arms deliveries worldwide for the years 1993-2000 in the same format and detail as do **Tables 1A, 1B, 2, and 2A** for arms transfer agreements with and arms deliveries to developing nations.

Tables 8C, 8D, 9C and 9D provide a list of the top eleven arms suppliers to the world based on the total values (in current dollars) of their arms transfer agreements with and arms deliveries worldwide during calendar years 1993-1996, 1997- 2000, and 2000. These tables are set out in the same format and detail as **Tables 1F, 1G, 2F and 2G**, for arms transfer agreements with and arms deliveries to developing nations respectively.

Total Worldwide Arms Transfer Agreements Values, 1993-2000

Some of the more notable facts reflected by these data are summarized below. Unless otherwise noted, dollar values are expressed in constant 2000 U.S. dollars.

- The United States ranked first among all suppliers to the world in the value of arms transfer agreements from 1997-2000, and first for the entire period from 1993-2000. (**Figure 1 and Table 8C.**)
- Russia ranked second among all suppliers to the world in the value of arms transfer agreements from 1997-2000, and second from 1993-2000.
- France ranked third among all suppliers to the world in the value of arms transfer agreements from 1997-2000, and third from 1993-2000.
- In 2000, the value of all arms transfer agreements worldwide was about \$36.9 billion. This is the highest total for worldwide arms transfer agreements for any year since 1993.
- In 2000, the United States was the leader in arms transfer agreements with the world, making \$18.6 billion in such agreements, or 50.4 percent of all arms transfer agreements. Russia ranked second with \$7.7 billion in arms transfer agreements, or 20.9 percent of all arms transfer agreements. France ranked third with \$4.1 billion or 11.1 percent. United States agreements increased notably from \$12.9 billion in 1999 to \$18.6 billion in 2000. The U.S. increase was substantially assisted by the sale of 80 F-16 fighter aircraft to the U.A.E. for \$6.432 billion. France's arms transfer agreements rose significantly from \$936 million in 1999 to \$4.1 billion in 2000. (**Tables 8A and 8D.**)
- The United States, Russia and France, the top three arms suppliers to the world in 2000 – respectively – ranked by the value of their arms transfer agreements – collectively made agreements in 2000 valued at nearly \$30.4 billion, 82.4 percent of all arms transfer agreements made with the world by all suppliers.
- The total value of all arms transfer agreements worldwide from 1997-2000 (\$125.1 billion) was notably less than the value of arms transfer agreements by all suppliers worldwide from 1993-1996 (\$142.4 billion), a decline of 12.1 percent. (**Figure 1.**)
- During the period from 1993-1996, developing world nations accounted for 67.7 percent of all arms transfer agreements made worldwide. During 1997-2000, developing world nations accounted for 67.6 percent of all agreements made worldwide. (**Figure 1.**)
- In 2000, developing nations were recipients of 69 percent of all arms transfer agreements made worldwide. (**Figure 1.**)

Table 8A
Arms Transfer Agreements with the World by Supplier, 1993-2000
(In millions of constant 2000 U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	1993-2000
United States	24,329	14,447	9,958	12,168	7,960	10,660	12,872	18,562	110,986
Russia	2,840	4,631	8,509	5,109	3,913	2,763	4,055	7,700	39,520
France	5,917	10,072	2,950	2,777	5,108	3,507	936	4,100	35,367
United Kingdom	3,314	810	908	5,553	1,087	2,126	936	600	15,334
China	592	695	227	1,000	1,413	1,169	2,704	400	8,200
Germany	1,538	1,621	454	222	652	5,314	4,159	1,100	15,060
Italy	473	232	1,361	444	326	957	832	100	4,725
All Other European	1,183	2,894	3,290	4,220	2,174	1,807	6,447	3,100	25,115
All Others	947	926	2,383	3,332	1,630	1,700	1,040	1,200	13,158
Total	41,133	36,358	30,040	34,825	24,262	30,003	33,981	36,862	267,464

Table 8B
Arms Transfer Agreements with the World by Supplier, 1993-2000
(Expressed as a percent of total, by year)

	1993	1994	1995	1996	1997	1998	1999	2000
United States	59.15%	9.82%	33.15%	34.94%	32.81%	35.53%	37.88%	50.36%
Russia	6.90%	12.74%	28.33%	14.67%	16.13%	9.21%	11.93%	20.89%
France	14.39%	27.70%	9.82%	7.97%	21.05%	11.69%	2.75%	11.12%
United Kingdom	8.06%	2.23%	3.02%	15.95%	4.48%	7.08%	2.75%	1.63%
China	1.44%	1.91%	0.76%	2.87%	5.82%	3.90%	7.96%	1.09%
Germany	3.74%	4.46%	1.51%	0.64%	2.69%	17.71%	12.24%	2.98%
Italy	1.15%	0.64%	4.53%	1.28%	1.34%	3.19%	2.45%	0.27%
All Other European	2.88%	7.96%	10.95%	12.12%	8.96%	6.02%	18.97%	8.41%
All Others	2.30%	2.55%	7.93%	9.57%	6.72%	5.67%	3.06%	3.26%
[Major West European*]	27.33%	35.03%	18.88%	25.83%	29.56%	39.67%	20.20%	16.01%]
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

*Major West European category includes France, United Kingdom, Germany, and Italy.

Table 8C
Arms Transfer Agreements with the World, 1993-2000
Leading Suppliers Compared
(In millions of current U.S. dollars)

Rank	Supplier	Agreements Value 1993-1996
1	United States	52,796
2	France	18,800
3	Russia	18,500
4	United Kingdom	9,300
5	Germany	3,300
6	Israel	2,400
7	China	2,200
8	Italy	2,200
9	Ukraine	1,500
10	Netherlands	1,400
11	South Africa	1,100

Rank	Supplier	Agreements Value 1997-2000
1	United States	48,295*
2	Russia	17,800
3	France	13,000
4	Germany	10,700
5	China	5,400
6	United Kingdom	4,500
7	Sweden	3,400
8	Israel	2,700
9	Italy	2,100
10	Spain	2,100
11	Ukraine	1,300

Rank	Supplier	Agreements Value 1993-2000
1	United States	101,091*
2	Russia	36,300
3	France	31,800
4	Germany	14,000
5	United Kingdom	13,800
6	China	7,600
7	Israel	5,100
8	Italy	4,300
9	Sweden	4,100
10	Ukraine	2,800
11	Spain	2,600

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

*The U.S. total includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 2000 for 80 F-16 aircraft.

Table 8D
Arms Transfer Agreements with the World In 2000
Leading Suppliers Compared:
(In millions of current U.S. dollars)

Rank	Supplier	Agreements Value 2000
1	United States	18,562*
2	Russia	7,700
3	France	4,100
4	Spain	1,500
5	Germany	1,100
6	Israel	600
7	United Kingdom	600
8	China	400
9	Turkey	300
10	Sweden	200
11	Ukraine	200

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

*The U.S. total includes a \$6.432 billion licensed commercial agreement with the United Arab Emirates in 200 for 80 F-16 aircraft.

Total Worldwide Delivery Values 1993-2000

Table 9 shows the annual current dollar values of arms deliveries (items actually transferred) worldwide by major suppliers from 1993-2000. The utility of these data is that they reflect transfers that have occurred. They provide the data from which **Table 9A** is derived. Some of the more notable facts illustrated by these data are summarized below. Unless otherwise noted the dollar values are expressed in constant 2000 U.S. dollars.

- In 2000, the United States ranked first in the value of arms deliveries worldwide, making nearly \$14.2 billion in such deliveries. This is the eighth year in a row that United States has led in such deliveries, reflecting implementation of arms agreements concluded during and immediately after the Persian Gulf war. (**Figure 2, Tables 9A and 9D.**)

- The United Kingdom ranked second in arms deliveries worldwide in 2000, making \$5.1 billion in such deliveries.

- Russia ranked third in arms deliveries worldwide in 2000, making \$3.5 billion in such deliveries.

- In 2000, the top three suppliers of arms to the world, the United States, the United Kingdom, and Russia, collectively delivered nearly \$22.8 billion, 77.5 percent of all arms deliveries made worldwide by all suppliers. (**Table 9D.**)

- The U.S. share of all arms deliveries worldwide in 2000 was 48.3 percent, down slightly from its 49.1 percent share in 1999. The United Kingdom's share in 2000 was 17.4 percent up from 14 percent in 1999. Russia's share of world arms deliveries in 2000 was 11.9 percent, up from 8.5 percent in 1999. (**Table 9B.**)

- In 2000, the value of all arms deliveries worldwide was nearly \$29.4 billion, a significant decline in the total value of deliveries in 1999 (\$38 billion in constant 2000 dollars), and the lowest deliveries total during the entire period from 1993-2000. (**Chart 7, Table 9A.**)

- During the period from 1993-1996, developing world nations accounted for 65.8 percent of all arms deliveries received worldwide. During 1997-2000, developing world nations accounted for 70.2 percent of all deliveries worldwide. (**Figure 2 and Table 9A.**)

- In 2000, developing nations as recipients of arms accounted for 66 percent of all arms deliveries received worldwide. (**Figure 2 and Table 9A.**)

- The total value of all arms deliveries by all suppliers worldwide from 1997-2000 (\$151.1 billion) was a slight decrease from the value of arms deliveries by all suppliers worldwide from 1993-1996 (\$152.8 billion in constant dollars). (**Figure 2 and Table 9A.**)

Table 9
Arms Deliveries to the World By Supplier, 1993-2000
(In millions of current U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	Total 1993- 2000
United States	15,172	13,345	15,991	14,820	16,274	16,482	17,935	14,187	124,206
Russia	3,400	1,700	3,500	3,100	2,600	2,200	3,100	3,500	23,100
France	1,500	1,300	2,800	3,600	6,300	6,800	3,100	1,500	26,900
United Kingdom	4,600	5,200	5,300	6,500	6,800	3,800	5,100	5,100	42,400
China	1,200	600	700	600	1,000	600	300	500	5,500
Germany	1,700	1,700	2,000	1,900	1,200	1,400	1,900	800	12,600
Italy	400	200	200	100	700	200	300	300	2,400
All Other European	2,300	3,400	3,500	3,400	4,400	3,200	2,700	2,000	24,900
All Others	1,900	2,000	2,000	1,800	2,300	1,600	2,100	1,500	15,200
Total	32,172	29,445	35,991	41,574	36,282	36,535	36,535	29,387	277,206

Source: U.S. government

Note: All data are for the calendar year given. All data are for the calendar year given except for U.S. Military Assistance Program, international military education and training, excess defense articles, and commercially licensed deliveries, which are included for the particular fiscal year. All amounts given include the values of weapons, spare parts, construction, all associated services, military assistance, excess defense articles, and training programs. Statistics for foreign countries are based upon estimated selling prices. All foreign data are rounded to the nearest \$100 million.

*Based on Department of Defense price deflator.

Table 9A
Arms Deliveries to the World by Supplier, 1993-2000
(In millions of constant 2000 U.S. dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	Total 1993- 2000
United States	17,955	15,449	18,143	16,459	17,687	17,517	18,649	14,187	136,046
Russia	4,024	1,968	3,971	3,443	2,826	2,338	3,223	3,500	25,292
France	1,775	1,505	3,177	3,998	6,847	7,227	3,223	1,500	29,252
United Kingdom	5,444	6,020	6,013	7,219	7,391	4,039	5,303	5,100	46,529
China	1,420	695	794	666	1,087	638	312	500	6,112
Germany	2,012	1,968	2,269	2,110	1,304	1,488	1,976	800	13,927
Italy	473	232	227	111	761	213	312	300	2,629
All Other European	2,722	3,936	3,971	3,776	4,782	3,401	2,808	2,000	27,396
All Others	2,249	2,315	2,269	1,999	2,500	1,700	2,184	1,500	16,716
Total	38,074	34,088	40,834	39,781	45,185	38,561	37,990	29,387	303,900

Table 9C
Arms Deliveries to the World, 1993-2000:
Leading Suppliers Compared
(In millions of current U.S. dollars)

Rank	Supplier	Deliveries Value 1993-1996
1	United States	59,328
2	United Kingdom	21,600
3	Russia	11,700
4	France	9,200
5	Germany	7,300
6	Sweden	3,600
7	China	3,100
8	Israel	2,400
9	Canada	1,600
10	Netherlands	1,100
11	Spain	1,100

Rank	Supplier	Deliveries Value 1997-2000
1	United States	64,878
2	United Kingdom	20,800
3	France	17,700
4	Russia	11,400
5	Germany	5,300
6	Sweden	3,400
7	China	2,400
8	Ukraine	1,900
9	Israel	1,600
10	Italy	1,500
11	Belarus	1,100

Rank	Supplier	Deliveries Value 1993-2000
1	United States	124,206
2	United Kingdom	42,400
3	France	26,900
4	Russia	23,100
5	Germany	12,600
6	Sweden	7,000
7	China	5,500
8	Israel	4,000
9	Ukraine	2,500
10	Italy	2,400
11	Canada	2,300

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are the same, the actual rank order is maintained.

Table 9D
Arms Deliveries to the World in 2000:
Leading Suppliers Compared
(In millions of current U.S. dollars)

Rank	Recipient	Deliveries Value 2000
1	United States	14,187
2	United Kingdom	5,100
3	Russia	3,500
4	France	1,500
5	Germany	800
6	Sweden	600
7	China	500
8	Ukraine	400
9	Italy	300
10	Israel	300
11	Belarus	200

Source: U.S. government

Note: All foreign data are rounded to the nearest \$100 million. Where data totals are in the same, the actual rank order is maintained.

Description of Items Counted in Weapons Categories, 1993-2000

- Tanks and Self-propelled Guns - This category includes light, medium, and heavy tanks; self-propelled artillery; self-propelled assault guns.
- Artillery - This category includes field and air defense artillery, mortars, rocket launchers and recoilless rifles-100 mm and over; FROG launchers-100mm and over.
- Armored Personnel Carriers (APCs) and Armored Cars - This category includes personnel carriers, armored and amphibious; armored infantry fighting vehicles; armored reconnaissance and command vehicles.
- Major Surface Combatants - This category includes aircraft carriers, cruisers, destroyers, frigates.
- Minor Surface Combatants - This category includes mine sweepers, subchasers, motor torpedo boats, patrol craft, motor gunboats.
- Submarines - This category includes all submarines, including midget submarines.
- Guided Missile Patrol Boats - This category includes all boats in this class.
- Supersonic Combat Aircraft - This category includes all fighter and bomber aircraft designed to function operationally at speeds above Mach 1.

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- Subsonic Combat Aircraft - This category includes all fighter and bomber aircraft designed to function operationally at speeds below Mach 1.
 - Other Aircraft - This category includes all other fixed-wing aircraft, including trainers, transports, reconnaissance aircraft, and communications/utility aircraft.
 - Helicopters - This category includes all helicopters, including combat and transport.
 - Surface-to-air Missiles - This category includes all ground-based air defense missiles.
 - Surface-to-surface Missiles - This category includes all surface-surface missiles without regard to range, such as Scuds and CSS-2s. It excludes all anti-tank missiles. It also excludes all anti-ship missiles, which are counted in a separate listing.
 - Anti-ship Missiles - This category includes all missiles in this class such as the Harpoon, Silkworm, Styx and Exocet.